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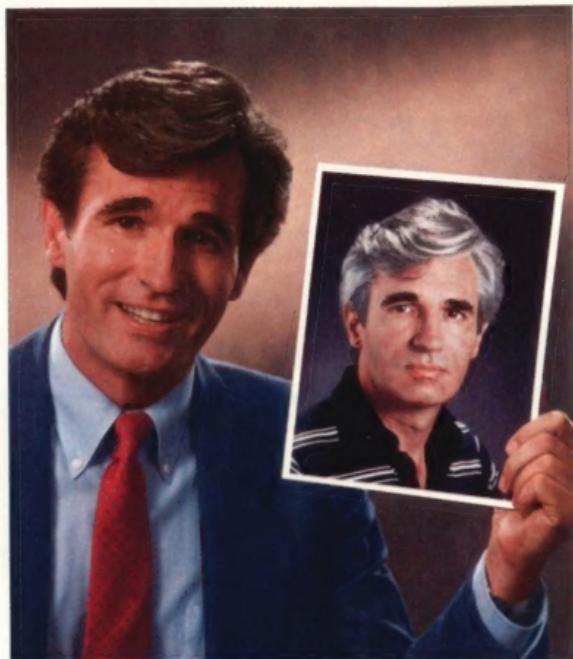
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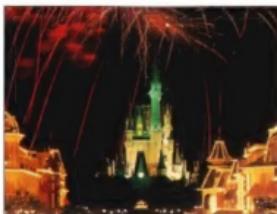
In the men's hair care section



COVER: Do you believe in magic? 66

Disney's Michael Eisner revives a kingdom

Cheerleading a staff of go-team-go executives, Eisner has re-animated the company's fantasy factory with fresh ideas. From movies to theme parks to retail products, Disney is the hottest all-around merrymaker in America. The fare is no longer just for kids: under its Touchstone label, Disney makes movies with a touch of sex and mayhem. See ECONOMY & BUSINESS.



NATION: Saying no to drugs has become 32

the most effective campaign theme

The three Democrats and George Bush vie to sound toughest on an issue that seems to touch voters directly. ▶ How has Michael Dukakis managed to rake in \$17 million? Meet Bob Farmer.

▶ Japanese Red Army terrorists are suspected after a Naples car bombing and a hair-raising arrest in New Jersey. ▶ For the Pentagon Meditation Club, love is the "ultimate first strike."



WORLD: Murder, religious zealotry and 46

regional tension meet in a jumbo jet

The taking of Flight 422 raises tensions and tempers throughout the Middle East. ▶ Abu Jihad, Yasser Arafat's second in command, is murdered in Tunis. ▶ An interview with Israeli Prime Minister Yitzhak Shamir. ▶ Four nations sign an accord securing the withdrawal of Soviet troops from Afghanistan, but peace remains an elusive prospect.



54

Profile

Fourteen years after his resignation in ignominy, former President Richard Nixon remains resilient—and outspoken.

58

Economy & Business

A growing trade deficit and faster inflation threaten the expansion. ▶ The FAA cracks down. ▶ U.S. publishing's French accent.

85

Religion

A statement from U.S. Catholic bishops brands sexism a "sin" and voices women's frustrations. ▶ Return of Charles Curran.

91

Living

America's working women turn thumbs down on the mini, and fashion designers respond with an array of conservative choices.

79

Technology

A new breed of lightning-fast silicon chips challenges 25 years of computer design. ▶ Has the picture phone finally arrived?

99

Books

With the mythic, vivid *The Day of Creation*, J.G. Ballard confirms his transformation from sci-fi cult figure to mainstream novelist.

80

Medicine

Medical tests, overused and too often inaccurate, are a costly tool in the hands of many doctors. ▶ A ban on fetal-tissue research.

105

Essay

A personal literary testament by Author Alan Paton, who died last week, lovingly recalls the words he and others wrote.

10 Letters

13 American Scene

83 Science

86 Education

86 Milestones

89 People

94 Cinema

96 Show Business

102 Health & Fitness

103 Video

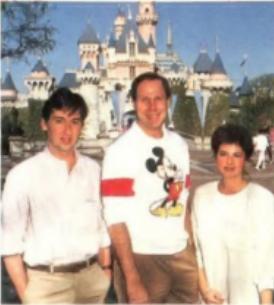
Cover:

Photograph by
Eddie Adams

A Letter from the Publisher

Associate Editor Stephen Koepp still likes Pirates of the Caribbean best. "As a kid growing up in Wisconsin, whenever I went to Disneyland, I was always yearning to get out of the boat and join the pirates." As writer of the main story in this week's cover package on the burgeoning Disney empire, Koepp was able to revisit Disneyland and Pirates of the Caribbean, and, of course, childhood. He reports, "Once more, I wanted to climb out and join the pirates."

For Koepp and the other *TIME* journalists who produced this week's cover stories on the Walt Disney kingdom of movies, theme parks and consumer goods, the assignment was like returning to the clean, gentle, well-ordered world that every kid wants to believe in. Correspondent Elaine Dutka, who spent several weeks at Disney headquarters in Burbank, Calif., found that the grownups who run the realm want to believe too. On a Sunday outing that she and Koepp took to Disneyland with Michael Eisner, the company's chief executive, Eisner detected a minute flaw in the facade of It's a Small World, checked out a new menu item (Handwiches, cone-shaped rolls with a choice of fillings) at one of the cafés, and inquired about apple popularity at the Treetop concession. "With his nonstop enthusiasm and nose for the commercial, Eisner is the perfect successor to Walt,"



Koepp, Eisner and Dutka at Disneyland

says Dutka. Koepp notes with admiration that Eisner insisted on waiting in line for many of the attractions and mingled freely with the customers. "When I went to Disneyland as a kid, it was like visiting the Wizard of Oz," he says. "This time it was like getting a tour of the Emerald City from the man behind the curtain."

Miami Bureau Chief Cristina Garcia, who visited Florida's Disney World to interview its "cast members," as Disney employees are called, was struck by their youthful enthusiasm. "For everyone from Eisner to the Hawaiian Hot Dog vendors, Disney is not just a 9-to-5 job. It's a way of life. Ultimately, it's also a way of prolonging all of our childhoods." Senior Writer Richard Corliss, who wrote the accompanying story on the enduring appeal of Disney characters, agrees with that view. He saw his first Disney film, *Alice in Wonderland*, at the age of seven, and has visited Disney World at least a dozen times as an adult. "Like most people connected with moviemaking and movie watching, I'm still childlike," he confesses. "The purity of the Disney theme parks appeals to me. And I love Space Mountain."

Robert L. Miller

ROCKRESORTS



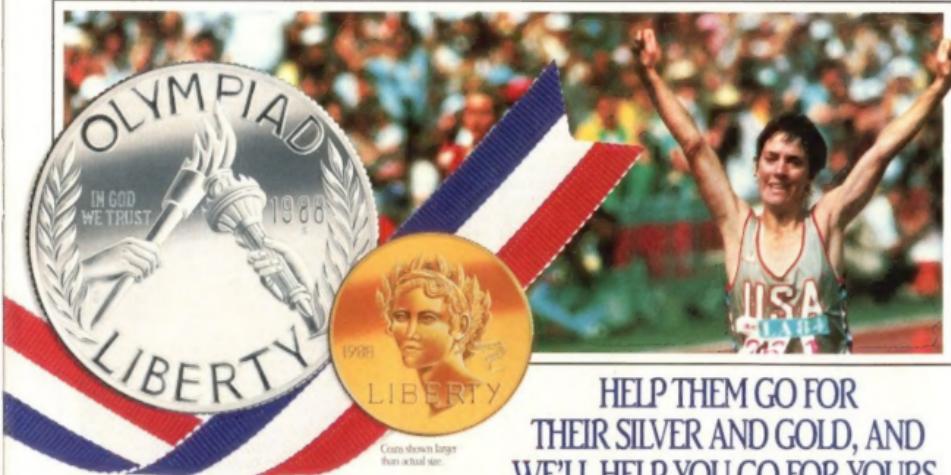
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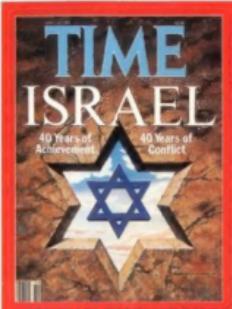
Letters

Israel's Future

To the Editors:

Lance Morrow has given us a poignant and thought-provoking article on the state of Israel [WORLD, April 4]. He has told the tale of the nation's troubled history with insight and detachment. This piece is similar to Israel's situation in that it asks as many questions as it answers. Thank you for making us think about this dilemma in the proper light.

Mark W. Overby
Lexington, Ky.



Sometime during the past 40 years, history was rewritten. Israel is now viewed as a country that was founded on high moral standards. But there was no morality in establishing a state for the Jewish people in a land already inhabited by Muslim and Christian Palestinians; no right in setting up an illusory democratic state that discriminates according to religion; no fairness in scaring thousands of Palestinians into fleeing the land through massacres like that committed against the Arabs of Deir Yasin, and in not allowing refugees to return home eventually.

Walid K. Abu-Saad
Philadelphia

Greater emphasis could have been given to the fact that more than half of Israel's Jewish population comes from Arab and Muslim countries. These Jews, like their coreligionists in Europe, were victims of centuries of persecution. If one were to count all of the Jews who have left Arab and Muslim states, this figure would roughly correspond to the number of Arabs who left Israel in 1948. The Arab states may deplore the existence of Israel, yet they have been as much the agents of its creation and existence as were Europe and the U.S.

Joseph A. Levy
New York City

I am not at all sure that Israel has lost its way. Both sides are making the only moves possible under present circum-

stances. The situation is frightening, but even more so is the reality that there does not appear to be an imminent solution. The Palestinian goal is still annihilation of Israel, and until that philosophy is altered, a stalemate, dangerous and intense, will continue.

Cheryl Micucci
New York City

You state that Rehoboam lost the northern kingdom of Judea nearly 3,000 years ago. In fact, he lost the northern kingdom of Israel, which was later conquered by the Assyrians in 722 B.C.

David L. Way
Wilmington, Del.

When Britain returns the six counties of the northern part of this island to Ireland, when America gives back to the Native Americans what was theirs, when China frees Tibet, when the Soviet Union grants full independence to Armenia and its other republics, and when India grants its Sikhs an independent national homeland, then and only then can these countries preach to Israel about the legitimate national rights of the Palestinians.

Ivor Shorts
Dublin

Without negotiations and compromise by both Israelis and Palestinians, there are enough rocks to keep this fight going till the end of time.

Paul H. Stregel
St. Louis

I have lived all my life in this troubled land, and I would like to recount the following Bedouin anecdote. One day two young Bedouins met on their way to the city. One turned to the other and asked, "What does your father do?" His acquaintance replied, "My father is the greatest man in the entire tribe." The first, surprised by this answer, asked, "What does your father do that makes him the greatest man?" The second responded, "My father sets broken bones." The ability to set broken bones was highly treasured by the Bedouins. But the first young man was not impressed. He exclaimed, "Your father is not the greatest man in the tribe! My father is much more important than yours!" Insulted, the second Bedouin asked angrily, "What could your father possibly do to make him a greater man than mine?" His companion replied, "My father prevents bones from being broken." The wise men of this land should prevent bones from being broken.

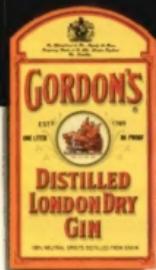
Elias Jabbour
Shefar'am, Israel

Lessons from Nicaragua

Your article asks, "Who Lost Nicaragua?" [ESSAY, April 4]. The loss resulted from longtime U.S. military and monetary support for Anastasio Somoza, who was not a role model of democratization.

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SHEAFFER.

Letters

We will lose many other countries as long as our Government continues to support despotic rulers who bellow anti-Communist rhetoric while keeping the boot of the military on the neck of the poor.

John J. Grimes
Watertown, Mass.

Essayist Michael Kinsley describes unattractive governments as "awfulocracies." Many countries with governments in this category represent different styles of awfulness. I think the true awfulocracy is spawned through mating Marxist conquest with Soviet power. The result: "Sandinistocracy." The Soviets are sending billions of dollars in aid to the region, indicating a yearning to transform the little countries there into true awfulocracies.

Robert Farley
Carmel, Calif.

Taking the Train

You captured the feeling I get every time I climb aboard one of those magical trains (LIVING, April 4). I hope we can increase the service available for this marvelous form of travel.

Michael Devereaux
Los Angeles

I have been taking the train for five years. I like Amtrak because the workers and passengers are friendly, the food in the buffet car is great, and the trip is relaxing. Amtrak needs some work, but it has come a long way since I started using it. I urge people who have not ridden the train to do so and take along that book they have been meaning to read for years.

Kimberly L. Welsh
Florence, S.C.

Last summer we boarded Amtrak in Richmond. The only car with available seats smelled like an open sewer. During an hour-long stop in Washington, no one even tried to correct the situation. In New York City we took on so many passengers that all the way to Boston the aisles and even the bathrooms were jammed. Amtrak is expensive and inefficient; it's like a U.S. Postal Service on wheels.

Ellen Stokes Honig
St. Louis

I am about to take my first train trip in 20 years, and I intend to make it an adventure for my children. If I were flying, my stomach would be in my brain by now. It is too bad there isn't a train that goes to the Caribbean.

Vonda Kingma
Mount Vernon, Wash.

Sandia's Parent

The comment in the article on supercomputers (TECHNOLOGY, March 28) that "Cray, IBM and AT&T could be upstaged ... by a determined gang of innovative computer designers," including scientists

from Sandia National Laboratories, is much appreciated. Maybe Cray and IBM will feel the heat, but it is going to be awkward for us to compete with AT&T, because Sandia happens to be operated by AT&T Technologies, Inc. for the Department of Energy.

James E. Mitchell, Manager
Public Relations Department
Sandia National Laboratories
Albuquerque

New Mexico Miracle

Your movie reviewer was 100% correct. Robert Redford's modern-day New Mexico western, *The Milagro Beanfield War*, is melodramatic (CINEMA, March 28). On the other hand, the real-life scourges facing the American West today, the rape of the land and the depletion of the limited water by overdevelopment, the destruction of the wholesome elements of indigenous cultures, have been brought to the attention of the general public in Redford's beautifully photographed and entertaining movie.

Christopher Xavier O'Connor
Albuquerque

You failed to mention that the profits from the Santa Fe premiere of this film went directly to worthy New Mexican projects. The real *milagro* (miracle) here is that a movie with heart, soul and social conscience has come out of Hollywood.

Barbara Jaramillo Bircheff
Lamy, N. Mex.

Lively Science

It was with great excitement that I read your article on innovative Science Teachers Larry White and Dan DeWolf (AMERICAN SCENE, April 4). This is what education is about: The brainteasers, the hands-on, the do-it-yourself and the *aha!* are all part of a thrilling introduction to the fantastic world of science. Congratulations to these men. Would they consider moving to Evanston? I have two children who would love them!

Margaret M. Otte
Evanston, Ill.

Now the whole country knows about our town's secret weapon. From the very early days, when my second-graders held a 20-lb. boa constrictor, Julius Squeezed, to this year, when full-size models of a whale and an elephant appeared, Norman Harris, White and DeWolf have never ceased to amaze and delight both the children and the teachers of Needham.

Millie Smith
William Mitchell School
Needham, Mass.

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SHEAFFER.

"Every time I get out of it, everything else seems like an anticlimax."

Alfred Vanderbilt II



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Jack and Jill
went up the hill
to fetch a pail of water.
Jack fell down
and broke his Crown Royal
and now Jill is dating
some guy from L.A.



American Scene

In Florida: Filling the Hours with Bingo

The Big Cypress bingo parlor is a corrugated-tin warehouse the size of an airplane hangar. It is surrounded by ramshackle houses and lots of old cars rusting on cinder blocks and stray dogs with mange and a few horses and small herds of cattle grazing in the swampy heart of South Florida that is the Big Cypress Seminole Indian Reservation. It seats 5,600 players and is the largest bingo parlor in the world. Every Saturday and Sunday morning, players are flown in from foreign countries, bused in from Canada and 38 states, bused in from every city in Florida, or drive in for a day of bingo before they are flown, bused and driven out that same night. They are greeted at the entrance by handsome young Seminole men in black tuxedos who direct them to the ticket windows. There they buy bingo packets costing from \$79 to \$289. They may win cash prizes ranging from a few dollars to \$125,000, or a new Lincoln Town Car, or a beach-front condominium, or a trip to Las Vegas.

Today is a quiet Saturday morning at Big Cypress. There are fewer than 1,000 players seated at the long card tables lined up diagonally across the concrete floor. A plump Indian woman in native dress moves up and down the aisles selling bingo cards. The players have set up their cartons of cigarettes alongside their Bic lighters, their coffee thermoses, their good-luck coffee mugs, their plastic cups of French fries, and their little signs that indicate what bus group they are with. They are mostly silent, hunched over their sheets of cards. Occasionally a cheer will go up and cowbells will ring when someone yells "Bingo!" They scurry up, to a smattering of applause, to the platform in the center of the room to get their cash. If they don't scurry fast enough the other players hoot at them to hurry so they can get on with the game.

The players don't much visit rest rooms or the concession stands. They might miss a number. They seldom buy the chicken, only the fries. The chicken is too messy and requires too much concentration to eat. The fries are easier. The players can pick at them without looking up from their numbers.

Mostly, the players are women. Older, with bifocals resting low on their nose and a cigarette dangling from their lips. Working women of a certain type. They may have waitressed a bit at a truck stop, saved their money and bought a little beauty parlor at the end of town. And when their husband died or ran off with their young man, they took to knitting for a while, or crocheting, or painting ceramic plates by number until their home was overflowing with all that stuff, and they were still lonely, until they dis-

covered bingo. A perfect way to pass the eternally long weekends between work. So they come by the busload to Big Cypress because they are lonely and because they hold on to the fantasy of winning one of the big prizes, but they also come to flirt with Mr. Bingo.

Steve Blad, in his Mr. Bingo tuxedo and jewelry, surveys the players from the center of the hall. "A quiet crowd," he says, his mouth twisting. "I'll get 'em riled up in a little bit." Mr. Bingo is a master at "riling up" a crowd, and has been ever since he took over a bingo parlor for the Otoe-Missouria Indian tribe near Red

basic honesty about these people that's missing from those corporate types. These people have their dreams just like I do. No one should take your dreams from you."

Steve Blad was born in Iowa but raised from childhood in Hollywood, Fla., by "old-fashioned, God-fearin', all-American parents," he says. "I was the first member of my family to get divorced, to drink whiskey and to roll dice." He grins his lopsided grin. "You might say, I like to color outside the lines."

His Oklahoma parlor was only modestly successful at first. The players seemed bored to Steve. He wondered how



At Big Cypress: they come by the busload, following their fantasies and Mr. Bingo

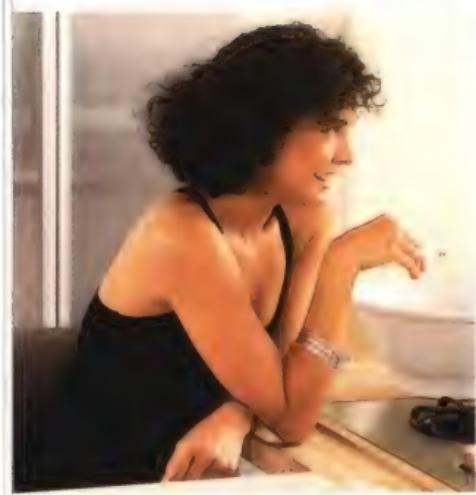
Rock, Okla., five years ago. At the time he was a marketing analyst with a three-piece suit and a little money to invest. A few years later, Steve took his "foolishness" to Big Cypress.

Within a year, Steve and his group of investors had turned the Big Cypress bingo parlor into one of the most lucrative bingo halls in the world. He claims he took in \$15 million last year, 51% of which went to the Seminoles. He and his investors kept the rest. Steve doesn't like to say precisely how much money he makes because, as he puts it, "there's a lot of poverty on the reservation, and I don't want any hard feelin's. But I made in the six figures, well into the six figures last year." He owns a 1988 Jaguar, a boat and a half-million-dollar house.

He knows his customers pretty well. "I go to their trailer homes," he says. "I eat with them in greasy spoons. There's a

to inject a little life into them. He spent six months doing market research on bingo players and discovered, among other things, that most don't play just for prizes. "They play because they're lonely," Steve says. "So I invented a little foolishness to make them happy while they're losing."

One day Steve showed up at his bingo parlor in a lavender tuxedo. He put Aretha Franklin's *Freeway of Love* on the p.a. system and began to dance down the aisles. Steve led a conga line around the hall, stopping every so often to toss dollar bills into the air. The women shrieked and grabbed for them, and when they did, Steve Blad, 5 ft. 8 in., 250 lbs., began gyrating in a pelvic dance. His fat belly rolled, while the women began gyrating right back at him. He kept up this routine. One day they tore off his clothes. "Thank the good Lord I was wearing boxer shorts," he says. "Now if I had been one a



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American Scene

them Eur-o-peen men . . ." On another day, Steve held a negligee contest. Women modeled sexy negligees. Steve Blad put one on and modeled it. The women shrieked with laughter. "My Tupperware ladies," Steve calls them. They began to call him Mr. Bingo.

On this Saturday afternoon, after Steve has led his conga line down the aisle, tossing dollar bills into the air, and after he and his lavender tuxedo have disappeared, the parlor quiets down so the p.a.-system announcer can call out numbers. Sherry Levitz, the bus coordinator for "Sherry's Bus People," sits at her table with the little SHERRY's banner and concentrates on her bingo card. "Oh, I just love to dab," she says, dabbing out numbers with a pink Magic Marker. Then she begins to hum, "22 . . . 22 . . . 22. Come on, 22 . . ." She is a pretty woman in her late 40s, with orange hair, a ruby red satin blouse and white slacks. "Oh, I love to



Steve Blad loves to make them happy

play," she says. "Yes, sir. I never miss a game. I won a \$16,000 Mustang convertible a year ago. Drove it right outta here the same day. It started raining halfway home, and I didn't even know how to put the top up." That's one of the satisfactions of playing at Big Cypress, she explains. Instant gratification. "I'm gonna win that Lincoln," she says, thinking of the next week's prize. "I'm gonna trade my Mustang up on that big Lincoln in a minute, baby."

A voice calls out, "Bingo!" Cowbells clang. A woman in her late 50s scurries toward the podium in the center of the room. She looks embarrassed. An Indian girl hands her a fistful of dollar bills. The woman rushes back to her table and almost before she does, the p.a.-system announcer is calling out numbers again. Steve Blad, leaning against the podium, watches.

"Bingo?" he says. "It's boring to me. I wouldn't do it. But they love it. And I love them. You know, this one magazine did a story about me and described how at the end of the day I walked off to my big Jaguar in the parking lot, and all these people went to their buses with no money in their pockets." Steve grins his lopsided grin. "But they were happy, you know."

—By Pat Jordan

A black and white photograph of a woman in a bikini standing next to a man in a tuxedo. The man is holding a microphone and appears to be a newscaster. In the background, there is a large screen displaying the "HEADLINE NEWS" logo and the words "ALWAYS ON TIME". To the right, there is a sidebar with the text "EVERY HALF HOUR" followed by a list of news categories: "00 Major Stories", "08 Business News", "20 Sports", and "22 Weather". Below this, it says "At the start of every half hour turn to HEADLINE NEWS. And watch your watch for the news you need." At the bottom right, the "HEADLINE NEWS" logo is displayed again.

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TIME / APRIL 25, 1988

Riding the Drug Issue

In New York, saying no to narcotics is a turn on


Let's face it, none of the candidates is in favor of drugs. Assailing crack and coke is a little like supporting apple pie and motherhood—except that voters rarely get passionate about apple pie. Usually in a campaign such unanimity on an issue would make it about as important as the debate over the Law of the Sea Treaty. But not so with drugs, especially not last week in New York.

The state primary was an appropriate setting for an antidrug message; sometimes it seems that New York City is Ground Zero for drug abuse in America. Last week, as the Democratic presidential campaign moved into high gear in anticipation of New York's critical voting, all three Democratic candidates trumpeted their own fight against drugs. Republican George Bush, not to be outdone, came to town to tout his credentials as a leader in the war against drugs, providing a rehearsal for the opening skirmish in the general election campaign. In Washington, meanwhile, the Senate was getting into the act with a measure authorizing increased spending in the drug war and cracking down on Mexico with a political fervor that belied common sense.

In a primary season that has lacked emotional issues, drugs is the one subject thus far that seems to touch the voters directly, viscerally. Unlike the national debt and the trade deficit, it is neither abstruse nor abstract. It is a backyard issue. It is also one with wide appeal: it allows a candidate to sound tough in both domestic and foreign affairs while arousing passions among all economic groups, from the mean streets of the South Bronx to the manicured lawns of Westchester County. A recent New York *Times/CBS* News poll showed that Americans believed, 3 to 1, that fighting the flow of drugs into the country was more important than fighting Communism.

For a long time, the war on drugs was Jesse Jackson's signature tune, *his* issue. Fifteen years ago, Jackson was decrying drugs as America's public enemy No. 1. The drug issue is—and has been—the strongest, the most reassuring, the most universally appealing part of his populist message, the theme that seems to take some of the sting out of his radicalism. He speaks more convincingly, more plainly about drugs than about any other subject. No other candidate comes close to the reaction Jackson gets when he calls out

"Down with dope. Up with hope." None can match his personal urgency. As the other candidates have incorporated an antidrug theme into their campaigns, Jackson has mocked them for stealing his drug message. His rivals, he says—and he puts George Bush in that camp—have recently become "sergeants and lieutenants" in the antidrug war. "I am a five-star general," he explains.

The Democrats are pretty much preaching similar messages; the contest concerns who can sound the most convincing. They all castigate the Reagan Administration for big talk but little action in the war against drugs. All of them threaten to cut off aid to foreign nations that refuse to cooperate in stopping the flow of drugs. All urge more support for the Coast Guard, Customs and the Drug Enforcement Agency. All endorse the idea of a drug czar and increased funding for drug treatment and rehabilitation programs.

Once again, in unison, all three Democrats unveiled new antidrug commercials last week for New York. Jackson's is the most riveting. Directed by hip, pixieish filmmaker Spike Lee (*She's Gotta Have It, School Daze*), the stark, grainy,

**"Down with
dope. Up with
hope."**



Spike Lee directs Jackson's
antidrug ad

black-and-white commercial creates a feeling of tension and intensity. A stern image of Jackson shifts from 140th Street in Harlem to a placid suburban street in Tarrytown to suggest that drugs are "killing our children" in both neighborhoods.

In Dukakis' ad, which features an eerie close-up of Panama's General Noriega, the Governor asserts he wants "to see a real war, not a phony war, against drug and alcohol dependency. How can we tell our children to say no to drugs when we have an Administration that paid \$200,000 a year to a drug-peddling dictator from Panama?" Gore's commercials, made by the veteran video warrior David Garth, emphasize that he may speak softly but he carries a big stick. Standing in front of an outdoor basketball court, Gore asserts, "We need a President who's not just going to talk tough, but who's willing to show some strength. And if that means... using the military to help stop drugs at our border, then let's do it."

Dukakis, the slight favorite over Jackson in New York, hoped that a win there would put the nomination within his grasp: a clear victory would send uncommitted party leaders tumbling into his camp and provide momentum, the year's most elusive force, as the contests head toward states with lower percentages of black voters. He was frustrated that Jackson's poetry had eclipsed the prose of his solid antidrug record. As Governor he created the Alliance Against Drugs in 1984; he claims that drug use among high school seniors in Massachusetts subsequently declined twice as fast as the national average. In Westchester County, Dukakis told a well-heeled gathering of party activists that the "most serious threat to our national secu-



"These people are dealing in death."

Bush talks to primary school students in East Harlem

rity is not the Sandinistas, but the avalanche of drugs flowing into this country." The line echoes one of Jackson's: when Dukakis used it at a debate, it provoked a wry smile from the author. The normally reserved Dukakis also seeks to personalize his interest in the drug issue, mentioning his wife's 26-year addiction to amphetamines.

Al Gore, the only candidate who has said that he has tried marijuana, enlisted the support of Mayor Ed Koch. New York City's highest-volume antidrug crusader, Gore's quest has come to re-

semble Ulysses S. Grant's 1864 Wilderness Campaign, a murky and meandering series of ill-conceived firefights in search of a clear battlefield. Gore, Jackson and Dukakis emphasized a theme that is bound to play a role in the fall election: the willingness of Reagan and Bush to cozy up to the Noriega regime even after there was evidence that he was serving as a conduit for drug profits. Says Gore: "I believe that George Bush needs to be held accountable for that failure in policy come November."

Republicans realize the issue can undercut their general advantage of seeming tougher on national security matters. With that in mind, Bush journeyed to Manhattan, trying his darndest to sound still tougher on drugs. He called for the death penalty for "drug kingpins," saying, "These people are dealing in death, and that's what they should get." Bush likes to say he has been on the front lines of the drug war. Indeed, he was head of the South Florida Task Force and National Narcotics Border Interdiction System, both designed to promote cooperation among law-enforcement agencies in stanching the inflow of drugs. Yet that is precisely what makes him vulnerable: polls show that a majority of Americans believe that the Reagan Administration has failed to make a serious effort to stem the drug traffic.

Bush's weakest point on the drug issue may be his claim of ignorance about General Noriega's involvement in drug trafficking. On the subject of drugs, Bush is doing an *Iran-contra* have-it-both-ways tango. He boasts that he was a hands-on administrator of the antidrug efforts but was uninformed about Noriega's back-



"I want to see a real war, not a phony war, against drugs."

Dukakis greets enthusiastic supporters in Manhattan



"We need a President who's not just going to talk tough . . ."

Gore gets the beaming endorsement of Mayor Koch

Nation

handed acceptance of drug money. Congress also faces an election year and seems ready to embark on the greatest frenzy of antidrug votes since the last election year, 1986. The Senate unanimously approved an amendment to the annual budget resolution that would provide for a \$2.6 billion expansion of the Government's antidrug efforts. In doing so, it busted the supposedly sacrosanct spending targets negotiated with the White House last year. The Senate also voted to impose sanctions against Mexico for failing to be sufficiently vigi-

lant in arresting the flow of drugs across its border into the U.S. If the House concurs, it would mark the first time Congress has invoked a 1986 law that denies foreign assistance to countries that have been lax in fighting the international transport of narcotics. But the action is more symbolic than real, as Reagan is likely to invoke an escape clause in the law.

The net effect of the Democrats' antidrug homilies may be little more than saying "Me too." Democratic Political Consultant Bob Shrum calls drugs a "valence"

issue—one that supersedes more routine concerns. Traditionally, Republicans have been perceived as the party of law-and-order and international machismo. But the drug issue gives Democrats a way of denouncing crime and declining social values without sacrificing the virtues of compassion. And it is already serving to help the Democrats strike emotional chords in voters who have mostly been unmoved by the 1988 primaries. —By Richard Stengel.

Reported by Steven Holmes with Goro, Michael Riley with Dukakis, and Alessandra Stanley with Jackson

Farmer with a Green Thumb

A year ago, Michael Dukakis was just another Democratic dwarf, a successful but obscure Governor who wanted to become President. But money, as the song goes, changes everything. Last June the campaign held its first major fund raiser at Boston's Park Plaza Hotel. The take: \$2.1 million, three times as much as any Democrat had ever received in a single event. The campaign privately set an ambitious goal of collecting \$6.5 million in 1987, then proceeded to raise in \$10 million. It made Dukakis a front runner before any votes were cast. "Money," says Bob Farmer, the Governor's fund-raising guru, "is the first primary."

Farmer, 49, an effervescent backslapper who never misses an opportunity to promote himself or his candidate, is the master of modern political fund raising: a person who can franchise a nationwide pyramid of captains and lieutenants to seek out \$1,000 donations, the maximum permitted by law. So far he has raised nearly \$17 million from 75,000 donors, plus \$8.5 million in federal matching funds. With money pouring in at a rate of \$60,000 a day, Farmer will soon hit the \$27.7 million legal ceiling for primary spending. Besides buying Dukakis early credibility, it has given him a critical cushion, allowing him to survive losses in such states as Iowa, Illinois and Michigan and still wage a national campaign. "Money has become the winnowing factor in this race," says Farmer. "It's not that other candidates lose their desire; it's that their pocketbooks run dry."

Farmer's genius lies in his ability to meld high-tech proficiency with old-fashioned schmoozing. He makes each member of his national network feel he is a part of some magnificent mission. If someone raises \$5,000, Farmer names him to a local finance committee; \$10,000 brings elevation to the national committee. "People like to have some piece of a presidential campaign," he explains. "My job is to bond them to the candidate."

One reason Dukakis has been able to raise far more than any other Democrat is that he can tap into a national network of proud Greek Americans. They account for about 20% of his war chest. On his first visit to Queens, N.Y., last

year, he was met by Greeks waving \$20 bills. In addition, more than 30% of Dukakis' donations come from Massachusetts. Much of the rest is given by affluent, civic-minded professionals, urban and suburban, who are willing to write checks and line up friends to do the same. And no one is better at sowing and reaping that fertile ground than Farmer.

"Fund raisers tend to be crass and hard sell," says Joseph Zengerle, a Washington lawyer and Dukakis' money-maker. "But Bob brings none of that baggage with him." Farmer's approach is low key, almost to the point of deference. On the phone with a fund raiser from Florida, Farmer is the consummate flatterer. "You were with us when it was unfashionable, my friend," he says. He makes his pitch casually: "Can you put together another \$10,000?" Farmer smiles and nods approvingly, winding up the call with his trademark breezy farewell: "You're a great American."

A publisher of legal and business manuals, Farmer was a Republican for most of his adult life. He first became interested in politics in 1979, when he was attracted to gadfly Candidate John Anderson.

Farmer sent Anderson a check for \$1,000 and soon became his chief fund raiser in Massachusetts. In 1982 he approached Dukakis and offered to run the politician's finances in his re-election campaign. Farmer switched to the Democratic Party and sold his business for several million dollars. He has become a confidant of Dukakis; he made two trips to the Far East with his wife Kitty and sat up late with the Governor in his bedroom on the night Dukakis had to let John Sasso go as campaign manager.

Farmer, who works full time for Dukakis, believes that fund-raising letters are next to useless. Real donations come through phone conversations or, even better, personal visits. Last spring he spent two months meeting with hundreds of potential givers and collectors. He was on the road 39 out of 42 days recently, and is about to embark on a 25-city visit to his local operatives. If Dukakis wins the nomination, Farmer will turn his energies to raising money for the Democratic Party. And should his candidate win, would there be a job for Farmer? As Dukakis once joked, perhaps the best way to solve the deficit would be to make Farmer responsible for the nation's revenues.

—By Jacob V. Lamar

Reported by Robert Ajemian/Boston and Michael Riley with Dukakis



The master fund raiser at work: "Money is the first primary"

"There Is No Plan B"

Reagan's overreaching riles Panama and Honduras

In the twilight, it was difficult to know who was out there. But the 100 U.S. Marines guarding a military fuel depot near Howard Air Force Base in southern Panama were certain that the uniformed figures moving in the distance were up to no good. Sure enough, as darkness settled, shots rang out. The American sentries responded, firing into the dense jungle that surrounds the 800-acre Arraijan Tank Farm. For two hours, the Marines fired small arms and mortars. Miraculously, no one was hurt; the previous night, a smaller firefight had resulted in the accidental fatal shooting of a Marine. Could the U.S. troops have once again mistaken their fellow countrymen for hostile Panamanians? "Unauthorized personnel," insisted the U.S. Southern Command. "Shadows," countered the Panama Defense Forces.

The two nights of phantom violence dramatized the dilemma that confounds the Reagan Administration in Panama and elsewhere in Central America: Is the U.S. pursuing a logical course to achieve concrete results, or is it firing wildly at uncertain targets? Drug trafficking has replaced Communism as the Administration's overriding policy concern, compounding earlier American inconsistency on the Nicaraguan *contras*. In switching targets, the U.S. has employed heavy-handed tactics that have failed to anticipate consequences. As a result, Washington has angered some of its closest regional allies and unleashed strong anti-American sentiments. "Things are a mess now," concedes a State Department official. "We're just reacting to events."

Nearly three months have passed since drug indictments were brought against General Manuel Antonio Noriega in Florida and the Administration signaled its determination to unseat the强人. Noriega remains firmly in control, despite opposition strikes. U.S. economic sanctions, and the dispatch of 1,300 additional U.S. troops to Panama. The economic noose intended to yank Noriega from power is instead choking Panama's banking, construction, retail and tourism industries. Says a young businessman in Panama City: "Noriega has made fools of the Americans, and we are the ones who have suffered."

As the situation worsens, the perception is growing in Panama that the U.S. joined battle with Noriega armed only with a firm conviction that the general would slink away on cue. At a secret meeting, Panamanian opposition leaders asked U.S. embassy officers to spell out their plans for dealing with Noriega. A U.S. official reiterated Washington's familiar posture: Noriega must leave Panama, with no guarantees that he will not be extradited to the U.S. from a third country. "Do you mean to tell us that the U.S. set off on this venture without considering the possibility that it wouldn't work right

away?" demanded a Panamanian. "Are you saying there is no Plan B?" An uneasy silence followed.

While American officials concede that they are divided over what course to pursue against Noriega, they reject charges of a policy vacuum. "We always envisioned continually escalating economic pressure," says a senior Administration official. "We have avoided doing anything dramatic because we don't want

tion that protects citizens from extradition. For years Honduras has been a reluctant party to Reagan's war on Nicaragua's Marxist Sandinistas. While acting as host to the *contras* in exchange for extensive military aid, Honduran leaders have repeatedly issued embarrassed denials that rebel bases exist within their borders. But more than once Honduras was forced to give the lie to its own claims. Just last month the Hondurans were compelled by Washington to request assistance to halt a Sandinista cross-border attack aimed at the *contra* camps, then watched dismally as 3,200 U.S. troops rushed into the country. Says



U.S. troops in Honduras; Noriega: Is Washington pursuing a logical course or firing wildly?

to cause permanent damage to the Panamanian economy." Yet as U.S. banks contemplate pulling out of Panama, pessimists fret that Panama's service economy is being ravaged beyond repair; optimists predict that it will take a decade to restore investors' confidence in the country. Grousing a Panamanian official: "The American strategy has all the subtlety of a bull crashing through a glass door."

The same might be said of U.S. policy in Honduras. Cleanup crews in Tegucigalpa continue to wash soot off the U.S. embassy annex, attacked two weeks ago by gringophobic students protesting the seizure and extradition to the U.S. of accused Drug Kingpin Juan Ramón Matta Ballesteros. At least two Hondurans died in the riots; damage estimates ranged up to \$6 million, and the U.S. indicated that it expects reparations. The Reagan Administration insisted that the attack was orchestrated by drug traffickers, including a military faction sympathetic to Matta.

But Washington's explanations could not mask Hondurans' brewing resentment at high-handed U.S. treatment. It goes beyond the illegality of the Matta nabbing, which blatantly thwarted a provision of the Honduran constitu-



a Western diplomat in Tegucigalpa: "Honduras has always been a means to an end."

The goodwill that Washington is squandering in Panama and Honduras in pursuing its sometimes conflicting goals may run out if the U.S. continues to ignore regional sensibilities. "Six years ago, there was no anti-Americanism in Honduras," says a Honduran political analyst. "Now it is increasing every day." In Panama, adds a veteran politician, "there will be bitterness and anti-Americanism" once Noriega is gone. As the war on drugs escalates, Washington needs to plan its battles with more forethought.

—By Bill Smolowe
Reported by John Moody/Panama City and Wilson Ring/Tegucigalpa

Bombs in New Jersey and Naples

The Japanese Red Army is suspected in two terrorist actions

To State Trooper Robert Cieplensky, the motorist at a rest area along the New Jersey Turnpike acted strangely. He circled his car several times, peered under it and into several trash cans. Then, apparently sighting the police car, he sped recklessly away. The officer flashed his warning lights, and the driver stopped. Looking into the auto, Cieplensky spotted six canisters protruding from a nylon flight bag on the back seat. Some were labeled BLACK POWDER. The trooper was even more astonished at what he found on the floor: three high-power pipe bombs contained in red fire-extinguisher cases.

The officer's alertness led to the arrest of Yu Kikumura, 35, a native of Japan traveling on a stolen Japanese passport. Each of the 18-in. by 4-in. bombs was packed with black powder and lead shotgun pellets; they were designed to attack humans rather than property. "If fired at a gathering of people," said U.S. Attorney Samuel Alito in Newark, "the devices could cause a real massacre."

Two days later in Naples, Italy, a Ford Fiesta disintegrated in a fiery explosion next to a USO club one block from

the docks used by the U.S. Sixth Fleet. Inside, shielded by their basement location, sailors from the U.S. Navy frigate *Paul* were throwing a party. Five people outside the club were killed, including U.S. Navy Petty Officer Angela Santos,



The USO blast leaves a twisted car
Was a Washington meeting also a target?

21, who was stationed in Naples. Fifteen were wounded.

Naples police traced the rental car to Junzo Okudaira, 39, a notorious member of the Japanese Red Army, a terrorist organization with ties to radical groups in Lebanon. Witnesses said a man resembling Okudaira drove the car past the USO

club several times looking for a parking spot. When he found one, he left the auto in a hurry. Shortly afterward it exploded. A Japanese woman accomplice was also being sought.

FBI explosive experts flew to Italy to see if the bombs in New Jersey and the blast in Naples were connected. The Naples suspect, Okudaira, was sought for a similar car-bomb attack on the U.S. embassy in Rome last June while President Reagan was attending a seven-nation economic summit in Venice. Okudaira's organization is believed to have trained in Lebanon with Islamic Jihad, a Shiite Muslim group with ties to Iran. Responsibility for the Naples explosion was claimed by various factions of Islamic Jihad, one saying the attack was in retribution for the U.S. air assault on Libya two years ago.

The FBI suspects that the New Jersey bomb carrier, Kikumura, may also be a member of the Japanese Red Army. He was arrested in May 1986 while carrying explosives in Amsterdam's Schiphol Airport, but the case against him was dismissed for technical reasons. Antiterrorist experts in both Italy and the U.S. theorize that Kikumura may have been heading to Washington, where world finance ministers were meeting last week. Others thought he may have been awaiting the June economic summit conference in Toronto. ■

The Presidency

Hugh Sidey

Speaking out of Turn

Ronald Reagan would probably not have fired him for fabricating presidential quotes, but Merrill Lynch forced him out. Former White House Spokesman Larry Speakes last Friday also became a former vice president of communications, dumped from a job worth nearly half a million a year in salary and perks.

Speakes self-immolated, revealing in his White House memoirs *Speaking Out* how he had made up Reagan statements without the President's knowing. A fire storm followed. Speakes had violated a flack's first commandment: Be believable.

In one of the incidents, at the Geneva summit in 1985, Mikhail Gorbachev seemed to be getting the better of Reagan in quoteshmanship. Speakes recalled in a phone interview last week. As he rode along frigid Lake Geneva in his car, he searched his notes for a good Reagan quote to feed the ravenous media. He knew Reagan's reasons for going to the summit. He knew he could put them into words the President would approve. Propelled by the intensity of the moment and his sense of power, he slid into deceit.

Speakes huddled with his aide Mark Weinberg, and they worked out an eloquent line; then Speakes marched out in front of hundreds of reporters with his crafted lie. Reagan had turned to Gorbachev at one point, Speakes said, and told him, "There is much that divides us, but I believe the world

breathes easier because we are talking here together." The frenzied sharks of journalism fed.

Last week protests came from all quarters. "Damn outrage," said White House Spokesman Marlin Fitzwater, who took Speakes' place. "This is the man who said he had never lied to the press," scoffed the Washington Post's Lou Cannon.

"Well," said Speakes from New York City, "if I get criticized for writing the truth, so be it. I said I was going to write an honest book. I told about the mistakes of others, and I thought it was right to tell about mine."

When Reagan was asked about the episode, he said he "was not aware" of the fabrication until now. Reagan never even noticed that he was quoted as saying things to the Soviets that he in fact had never said. His notorious detachment was in place. Speakes claims that he told Reagan what he had done. "That the President does not recall that now, I fully understand," says Speakes.

Speakes is surely not the first White House spokesman to fake a President's words, though he may be the first one to admit it. Washington is a city with a large industry devoted to making inarticulate politicians sound lucid, to turning what is prosaic into poetry. But, as Speakes ruefully admits now, even manufactured words ought to be placed in the proper mouth before they are passed out to history.



White House wordsmith

Walk Softly And Carry A Big Stick.

by Ted Williams



In a sport where almost everything is debatable, there's one that isn't. No one has ever hit baseballs better than Ted Williams.

"People like to talk about how baseball has changed.

But despite all the talk — all the chit chat from pre-game analyzers and all the malarkey in the newspapers — sooner or later it comes to the point where talk doesn't matter.

Because you can't talk to a baseball. And you can't talk your way into a base hit.

Something that has changed, though, is the equipment.

Like gloves. They used to be small and just about as stiff as cardboard.

Bats, on the other hand, used to be bigger. Babe Ruth, for instance, had one that weighed 54 ounces and

looked a lot like a telephone pole. Now, most bats are around 32-33 ounces.

The shoes have also come a long way. I'll tell you, the old ones *must* have been built for speed, because they sure weren't built for comfort.

(In fact, I'll wager there was more blood on the inside of Ty Cobb's shoes from broken blisters than on the outside from vicious slides.)

Which brings me to the point of this ad: shoes you don't have to shed blood for.

Now I'm a pretty independent guy and a very casual dresser. And usually I think wearing dress shoes is

as enjoyable as getting hit by a rising fastball. Which is why I like Dexter Comfort Classics.

On the outside they look like dress shoes. So you can wear them to business meetings, Hall of Fame induction ceremonies or whatever.

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Nation

The Long Goodbye to Byrd

Jockeying begins for the Senate majority leader's job

When Senate Majority Leader Robert Byrd announced last week that he would step down next January from the post he assumed a decade ago, relief among many Democrats was palpable. Senators appreciate Byrd for his obsessive attention to their personal needs, but little else. Increasingly, he has seemed unable to control his flock. None of the Government's 13 appropriations bills came to a vote last year, forcing the adoption of an omnibus spending bill whose full content was not known to a single Senator. In February, Byrd's own campaign-finance bill could not make it through the Senate. Moreover, with his silver-blue pompadour and dour expression, Byrd, 70, has proved no match as an adversary to Ronald Reagan's polished role as the Great Communicator. As a Democratic spokesman following Reagan's State of the Union addresses, Byrd, with his stilted manner, came across on television like a clerk calling roll.

Byrd's graceful exit gives the Democrats a chance to choose a new majority leader, one who may have to counter another four years of a Republican White House by setting a more vigorous style of leadership in Congress.

Anticipating that Byrd would resign or be pushed aside, Senators Daniel Inouye of Hawaii, George Mitchell of Maine and J. Bennett Johnston of Louisiana have been jockeying behind the scenes since last year.

None of them has a commanding lead, although Inouye, 63, the no-nonsense insider who came to national prominence during the Watergate hearings, was once the favorite. But his fortunes fell last summer when his plodding, imperious handling of the Iran-contra hearings turned what should have been a Democratic triumph on national television into a showcase for Lieutenant Colonel Oliver North. Inouye's standing slipped further in January, when he was found to have sponsored an unnoticed proposal to give \$8 million to build schools for North African Jews in France. Even without these setbacks, Inouye may be too Byrd-like for younger members. "Inouye is the direction you go in if you really want to play it safe, not rock the boat," says Norman Ornstein, resident Scholar of the American Enterprise Institute.

Mitchell's stock has risen over the past year. During the Iran-contra hearings, he appeared judicious and intellectually rigorous. Under the glare of television lights, his wooden speaking style vastly improved. A Senator since 1980, Mitchell, 54, has been

around long enough to have developed respect for tradition but not so long that he is inured to Senate logjams. "Tradition," he says, "ought not to be a justification for unreasonable delay and unconscionable deadlock," a sentiment that resonates loudly with the bloc of eleven freshmen Sena-

tority-leader post for Johnston. Elected to the Senate in 1972, Johnston, 55, made an aborted run against Byrd in 1986, when Democrats recaptured the Senate majority they had lost six years earlier. Johnston dropped out of the contest when he realized the awful truth: thanks to a secret ballot. Senators may pledge their troth in advance to more than one candidate. "I thought I had the votes earlier on," he recalls. "But they go like a covey of quail, all flying off in one direction. I saw the first one take off, and I could read that very easily." Johnston's classic Dixie charm plays well with Southern Senators. While he does not believe the election will turn on back scratching and horse trading, he has done his share of both, and it could prove helpful. "When a Senator's ox was in the ditch and you helped pull it out, he'll remember that," he says.

Although Mitchell seems to have a slight edge now, anything can happen in a race that has less in common with grown-up politics than a contest for student-council president, where the best leader can easily lose to the candidate who can organize the best mixers and loosen up hall passes. A former Senate aide points to Byrd's upset victory over the charismatic but inattentive Edward Kennedy for Democratic whip in 1971. Democrats talk national leadership, says the onetime aide, but they vote self-interest. "They want someone to manage their lives, make them look good," he says, "especially the ones with complicated social lives or a drinking problem."

No one this time around is as elaborately courteous as the whimsical Byrd, famous for sending cars for colleagues who need to get somewhere in a hurry. A longtime Byrd supporter said, "If you took a pencil out, he'd sharpen it for you. Inouye is said to have the best shot at Byrd's endorsement if he can show enough solid early support, a rare commodity in a secret ballot, where Senators have been known to make up their minds early, but often.

Whatever the result, this race could hardly be as dramatic as the 1971 contest, which set up Byrd's accession to majority leader six years later. The weekend before the vote, Kennedy relaxed over dinner, telling friends he had the job wrapped up. Meanwhile, Byrd was feverishly collecting chits, and believed he had a one-vote margin as long as he could count on the proxy of Senator Richard Russell of Georgia, who was near death in a Washington hospital. On the day of the vote, aides gave Byrd the signal that Russell was still alive and his proxy good. Byrd won with three votes to spare. Russell died four hours later.

—By Margaret Carlson
Reported by Hays Gorey and Ted Gup/Washington



Byrd, announcing his intentions, and likely successors: Mitchell, Johnston and Inouye

tors pushing a "quality of life" package to reform arcane Senate rules. As chairman of the Democratic Senatorial Campaign Committee—he defeated Johnston for the post in 1985—Mitchell has a leg up with the members he helped elect in 1986. Says one Senator: "A lot of those guys are going to think, We're gonna dance with the fella who brought us."

This will be the second try at the ma-

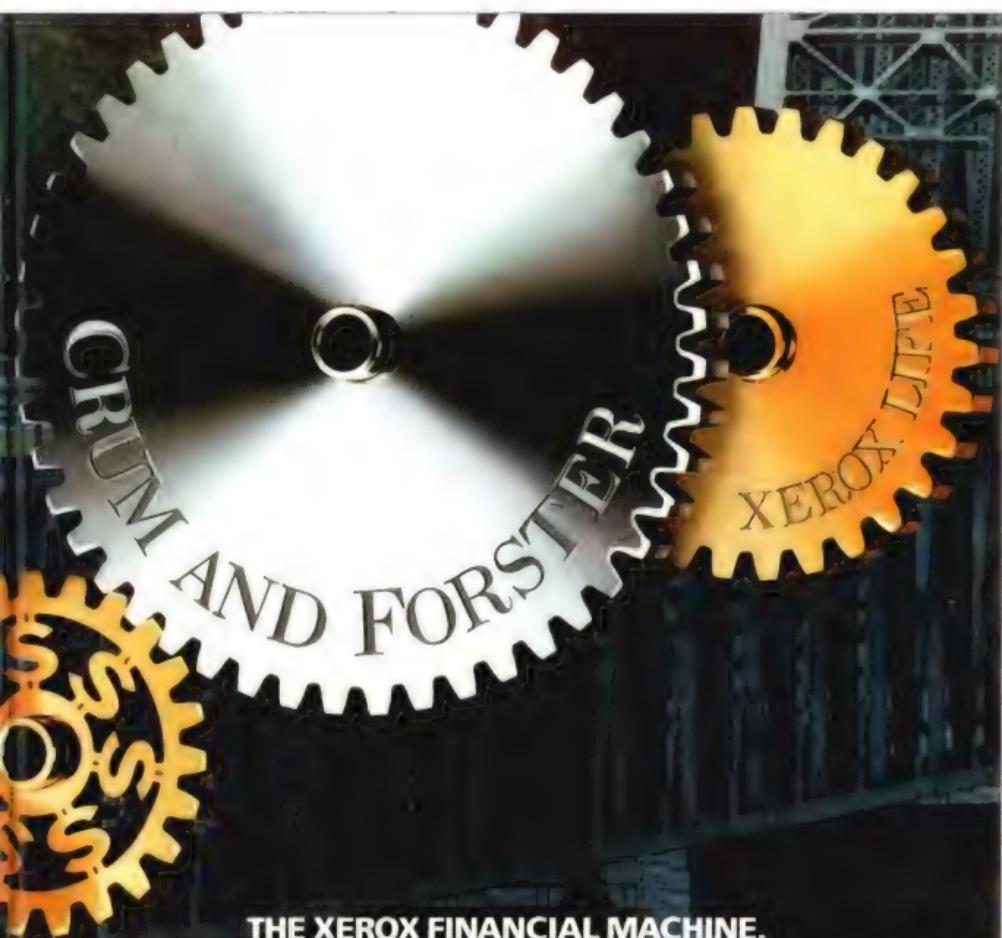
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Nation

Peace Shield

At the Pentagon, a new SDI

"I direct my thoughts to the world of my inner being . . . I see world leaders, friends and adversaries joining together in fellowship to resolve issues, forgiving each other . . ."

Words overheard at a New Age spirit ceremony? No, the silent prayer is the product of the Pentagon Meditation Club, a group that meets at lunchtime every Friday to foment inner peace and goodwill on earth. So far 75 Defense Department employees have taken part, from copier technicians to a Navy captain. "Be all that you can be" was surely never meant like this.

A military man at peace with himself may make a better soldier, and a prayer for peace may soften the Pentagon's image. But the aims of the meditation group are much more ambitious. Club President Edward Winchester, 50, a Pentagon financial analyst, advocates a "spiritual defense ini-

tiative." Two decades after hippie protesters tried to levitate the Pentagon, Winchester believes soldiers should be the ones giving off good vibrations. The Meditation Club's goal, he explains, is to link enough individual "peace shields" to protect humanity by their unified force.

Earlier this year, Winchester tested his theories on the Soviets. Armed with the



Some club members: military men seeking peace with themselves

slogan "Love is the ultimate first-strike capability," Winchester joined a Soviet-American task force on "changing perspectives in global security" to demonstrate his technique to four visiting Soviet dignitaries. "Millions of people the world over may be unconsciously generating coherent force fields when they enter deep prayer and meditation," he told them. The Sovi-

ets, who have been calling for "soldier to soldier" contact modeled on the famous meeting at the Elbe River during World War II, were said to be extremely pleased.

Winchester's activities have not always received official support. He has been suspended twice without pay after members of the Pentagon's community of Christian Fundamentalists complained that his group was not sufficiently

"Christ centered." Winchester, a devout Roman Catholic, sat down with his adversaries. He convinced them that the group would bring people closer to God and agreed to remain under the chaplain's chain of command. Since then, he has begun offering monthly stress-reduction workshops and has conducted a special meditation program for em-

ployees of the Defense Intelligence Agency.

Next on the Winchester agenda is getting "meditation kits" to top admirals and generals. He is also applying meditation techniques to one of the Pentagon's knottiest problems: defense acquisitions. After all, he reasons, the Pentagon can become truly cost-conscious only when it succeeds in raising its underlying consciousness. ■

Grapevine



Why Nancy loves Mario. Ever since meeting Mario Cuomo at the Gridiron Dinner in Washington, Nancy Reagan has been gushing to astonished friends that the New York Governor is simply the "most charming man in the world." The First Lady thinks Cuomo stole the show with his satirical speech. According to two close friends, Nancy was smitten by Cuomo's graceful farewell tribute to Reagan and his offhand remark that both the President and First Lady looked so youthful. The Governor also told Nancy, with typical hyperbole, that were it not for the 22nd Amendment, the Reagans would be looking forward to another four years in the White House.



STUDIO 22/23/81

Mario's admirer

Garthspoke. When powerhouse Media Consultant David Garth agreed to do a series of New York commercials for Al Gore, some political insiders predicted a turnaround for the Senator's dying campaign. But Garth is annoyed about the Gore campaign's inability to raise enough money. "I took their word," complained Garth, "and it just shows that old schmucks can get snookered too." With \$2 million (as opposed to the \$600,000 Gore has raised), Garth claims, he could "blow the state apart. As it is, we'll be lucky to hear a burp in Brooklyn."

Returning favors. Walter Mondale is quietly beating the bushes for Michael Dukakis, calling old supporters and urging them to sign up with the Governor. He is still sore at Jesse Jackson for extracting concessions in 1984, adding to the already

damaging impression that Mondale was the captive of special interests. Dukakis was also an early and enthusiastic supporter in 1984, unlike Al Gore, who did nothing to help the Mondale-Ferraro ticket in the South. Says a Mondale ally: "Fritz tends to judge everybody according to what they did in 1984."



A Dukakis devotee is settling scores

Nunn better. Sam Nunn has just what Mike Dukakis needs in a running mate: a firm foreign policy, Southern standing, Washington experience. Dukakis needs little urging. He knows and admires Nunn. But could he land the conservative Georgian? Some top Democrats are suggesting a way. Dukakis, they say, could offer Nunn the chance to serve as both Vice President and Secretary of Defense, a legal though unorthodox twofer. Nunn's friends say he would find the idea appealing. The Governor, says one staffer, has even developed a fascination with Jack Kennedy's choosing another powerful Southern Senator, Lyndon Johnson, in 1960.



ENDORSEMENT OF THE WEEK

"Because he has suffered from the irrationality of Reagan, he would be a better President . . . and would sort of make up for it."

*—Libyan Leader Muammar Gaddafi
acclaiming George Bush for President*

DICK WALKER

PHOTOGRAPH BY

If there aren't enough people learning these skills,



where will we get
the people to learn these?

The truth is, American business won't have much of a future without a well-educated, well-trained work force—and Department of Labor projections are not reassuring.

The school drop-out rate may rise above 50% in some cities, and the number of functional illiterates could increase to more than 23 million. All at a time when entry level jobs will demand more education, better reading ability and greater technical skills.

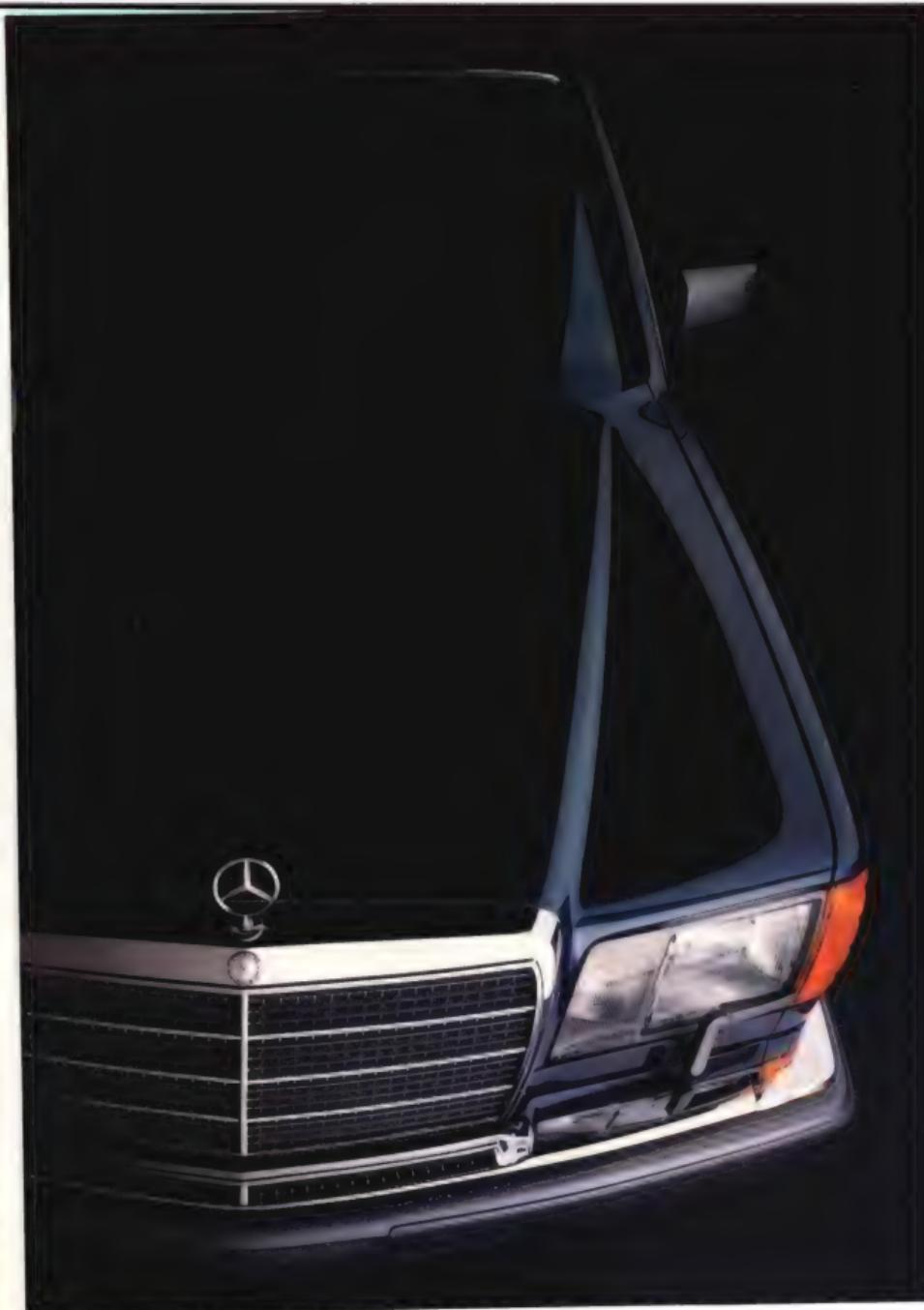
Fortunately the National Alliance of Business is helping to stem these dangerous trends by forging partnerships among business, education and community leaders. Those groups then create programs that encourage young people to stay in school. They set up job training centers, and they form desperately needed advisory councils.

IBM, along with other corporations, is proud to support the efforts of the NAB. Because when more young people have a better future, business has a better future, too.



To find out more about the NAB and how you and your company can help, write to the National Alliance of Business, 1015 15th St., N.W., Washington, D.C. 20005. Or call (202) 457-0040.

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You drive the automobile that pioneered both the Anti-lock Braking System (ABS) and the Supplemental Restraint System

(SRS), with driver's-side air bag. But has never pioneered an onboard electronic gizmo. An integrity of priorities that has helped Mercedes-Benz earn and keep its mantle of engineering leadership.

You live with an automobile backed by a sales and service network arguably second to none. Epitomized by Mercedes-Benz Roadside Assistance—the first such program, and still the only one to dispatch not just the handiest tow truck but a *factory-trained technician* to your aid. Evenings, weekends and holidays—365 days a year.

Your choice of S-Class sedans ranges from the 560SEL and 420SEL V-8s to the new six-cylinder 300SEL and 300SE. Each blends high performance with the most civilized comfort on wheels. But the greatest comfort of the Mercedes-Benz S-Class may ultimately be a purely emotional one: the absolute reassurance of absolute integrity.



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And on every can, you'll find the details of Olympic's special guarantee.

Olympic Latex Stain. Beauty, ease and security all in one can.

OLYMPIC STAIN.
We've been protecting the American Dream for over half a century.



American Notes



TEXAS A Houston marshal applies "Denver Boot"



THE MILITARY Billig



FLORIDA The infernal machine

FLORIDA

Tennis the Menace?

Other Americans may find their ears assaulted by honking horns and wailing sirens, but the wealthy denizens of Palm Beach, Fla., suffer a particular annoyance: the *thok, thok, thok* of electrically powered ball machines in use on backyard tennis courts. Some residents have raised a high-decibel clamor about the infernal machines, and are seeking to limit their use to the same "hours of construction" permitted sandblasters and jackhammers. In short, not before breakfast, not at the cocktail hour and never on Sunday.

For those unlucky Palm Beachers with 9-to-5 jobs, the new ordinance would rule out early-morning and evening tennis workouts from the beginning of December through April. Town-council members have already outlawed shirtless joggers, neon signs and cemeteries.

MARYLAND

\$10,000 per Handgun

The measure's landslide passage in Maryland's state legislature belied its controversial nature. Last week, by a vote of 95 to 41 in the house and 35 to 10 in the senate, legislators

gave their approval to the nation's first law that effectively bans the manufacture and sale of inexpensive short-barreled handguns, often called Saturday-night specials.

By 1990 a nine-member board made up of private citizens and representatives from law-enforcement agencies and gun-lobbying groups will prohibit weapons it deems illegitimate. Cheap guns will then command a high price: manufacturers and sellers of banned weapons will face fines up to \$10,000 per pistol.

MASSACHUSETTS

Health Care For Everyone

"Forty million Americans have not a dime of health insurance," Michael Dukakis reminds audiences on the campaign trail, as he argues that the Federal Government should provide low-cost coverage. Last week the Governor could point to his home state as an example of how that can be done: the Massachusetts legislature passed the nation's first comprehensive health-insurance bill. By 1992 coverage will extend to everyone in the state, including the unemployed.

While the bill does not require businesses to provide health insurance, companies with more than five employees must either offer coverage or contribute a maximum of \$1,680 to a state fund for each

uninsured worker. Eventually, private and public health insurance should be extended to 600,000 people, 10% of the state's population, who are without coverage. Opponents are concerned that the plan will hurt small businesses and damage the Massachusetts economy. In 1992 the plan will cost companies, employees and the state an estimated \$444 million in additional funds.

THE MILITARY

Clearing a Navy Doctor

The prisoner was a victim of a "smear campaign" and trial tactics "that never should have been permitted." With those strong words, a Navy appeals court last week overturned the conviction of Commander Donal Billig, Bethesda Naval Hospital's chief heart surgeon, who was court-martialed in 1986 on charges of involuntary manslaughter and negligent homicide.

In a controversial case that prompted congressional investigations into the quality of military health care, Billig had been sentenced to four years in prison for "wrongfully" performing coronary-bypass surgery on three patients who later died. Prosecutors, the appeals court said, had unfairly portrayed the experienced doctor as a "bungling, one-eyed surgeon who should have

known better than even to enter an operating room because of his past mistakes." The appeals court found that the Navy had not clearly established that incompetence or dereliction of duty caused the deaths. Moreover, Billig was not the primary surgeon during any of the procedures.

TEXAS

Pay Up, My Dear Brother

Still reeling from the oil bust, financially strapped Texas cities are tapping revenue from a lucrative but neglected source: unpaid traffic tickets. Houston may reap more than \$1 million this year by using the "Denver Boot," a device that immobilizes cars whose owners have three or more delinquent tickets. In Dallas the payment of nearly 140,000 fines could bring \$18 million to its coffers, and a computer is dunning scofflaws at a rate of 150 calls an hour.

The Texas sweep cuts a wide swath. Earlier this month, in a roundup of 80 motorists, San Antonio police nabbed George Cisneros, a brother of Mayor Henry Cisneros. They took him downtown to cough up the \$6.50 he failed to pay for running a red light last November. Said the mayor: "I think his number came up on a computer. I hope he pays his tickets from now on, my dear brother."

World

TERRORISM

Nightmare on Flight 422

Murder and zealotry meet in a jumbo jet

The ordeal had already lasted ten days when the door of Kuwait Airways Flight 422 swung open at Houari Boumediene Airport in Algiers. Out stepped a frazzled-looking man, as a caravan of ambulances, police cars and fire trucks stood by below. After being led down the ramp by a doctor—and a hooded gunman who quickly ran back inside—Djuma Abdallah Shatti, a 55-year-old Kuwaiti, told of harsh conditions inside the blue-and-white Boeing 747. "Praise be to God, I am fine," said Shatti, who is diabetic, "but they had me tied up all the time, and I am tired. They are not good people. They beat me."

Any doubts about the brutal determination of Shatti's tormentors evaporated as the ordeal of Flight 422 stretched into its second week and gained distinction as the longest uninterrupted skyjacking ever. After the airliner, en route from Bangkok to Kuwait, was seized on April 5 as it neared the Strait of Hormuz, it began a tortured 3,200-mile journey that took it from Mashhad in northeastern Iran to Larnaca, Cyprus, and finally to Algiers. Deadlines came and went as the skyjackers, having already killed two hostages, threatened the lives of the rest if Kuwait did not meet their demand to free 17 terrorists jailed there since 1983 for bombings of the U.S. and French embassies in Kuwait. Three of the 17 are under sentence of death; the others are serving terms of from two years to life. The hijackers still held about 30 of the 112 people originally aboard, three of them related to Kuwait's ruling family.

*The 1985 seizure of TWA Flight 847 lasted 17 days. But hostages were taken from the plane and hidden in Beirut after the second day.

Events took a chilling turn on Saturday when the hijackers, frustrated by Kuwait's refusal to meet their demand, invited three reporters to the top of the gangway leading to the craft and demanded that Algeria "fill the airplane with fuel, and we will liquidate our account with Kuwait elsewhere. We don't want to have the massacre in a friendly country." Added the hooded gunman who addressed the reporters, "Kuwait has to know that we do not fear death."

The drama on Flight 422 triggered a political outcry across the Middle East. Troubled that the skyjacking had once again placed Arabs in a bad light and, more important, diverted attention from the four-month-old Palestinian uprising in Arab territories occupied by Israel, the region's leaders rushed to condemn the action. Some Arab officials suspected Iran of being behind the takeover. The evidence was largely circumstantial: one hostage freed during the six-day stop at Larnaca reported that several gunmen joined the hijackers in Iran and brought aboard submachine guns, hand grenades and explosives.

In Kuwait the daily *Al-Qabas* said the incident had been masterminded by Imad Mughnayi, 36, a Lebanese who is both cousin and brother-in-law to one of the 17 jailed terrorists. Western intelligence agencies believe Mughnayi has led several attempts to free the prisoners. Among them: at least two other hijackings, including the seizure of TWA Flight 847 in 1985, during which U.S. Navy Diver Robert Stethem was beaten and shot to death. The kidnappers holding many of the more than 20 Western hostages in Lebanon, including nine Americans, have also made



A released crew member is led away



release of the prisoners in Kuwait their key demand. In Washington, Administration officials said hostages freed from Flight 422 indicated that Hassan Izz-al-Din, one of four men indicted by a federal grand jury for Stethem's slaying, might be on the Kuwaiti plane.

The hijackers and the 17 prisoners appear to share religious ties. Sixteen of the men jailed in Kuwait are Shi'ite Muslims who are thought to support Iran and its leader, the Ayatollah Ruhollah Khomeini. Hostages released from the jetliner said the gunmen often spoke in religious terms. Sheriff Mahrooj Badrwan, a Kuwait Airways ticket agent in Cairo, called them "good Muslims" who "spoke to us in a very Koranic language. They were always using verses from the Koran." The hijackers are thought to belong to Hizballah, a radical Shi'ite group.

The skyjacking had its bizarre moments. To emphasize their willingness to die for their cause, the hijackers told the Larnaca tower at one point that they had donned death shrouds and renamed the jetliner the "Plane of the Great Martyrs." When a controller referred to the craft as "Kuwait 422," a hijacker snapped back,



The body of a hostage lies on the tarmac in Larnaca after being flung from the Boeing 747

Ahmed al-Hajemi, declared in a strained voice. "I greet my family, and I ask the Kuwaiti authorities to free the prisoners. Otherwise the kidnappers will kill us." Throughout, the skyjackers defended their actions. "We are men of principle, not highway bandits," one asserted. "We would have preferred not to use such methods, but we have no choice. We repeat our demand for the liberation of our 17 brothers, and we will not go back on that even if the price is very high."

All signs indicated that the hostages were already paying dearly. An Algerian doctor permitted to go aboard described the passengers as tired but in "satisfactory" condition: some of those who were released said they had been manacled and herded into the front rows of the jumbo jet and had not been permitted to read or speak. Plastic bindings had cut deep into their wrists. Toilets became so fouled that some hostages were sickened. Algiers airport workers were finally allowed to clean up. Ramadan Ali, an engineer who holds dual Egyptian and American citizenship and who was one of the twelve hostages released in Larnaca, told of hiding his U.S. passport in a briefcase. He said a hijacker saw his U.S. driver's license but evidently did not know what it was.

In Kuwait more than 2,000 people attended a funeral for the two men slain aboard the jet. Though many of the mourners called for revenge, Sheik Jaber al-Ahmad as-Sabah, Kuwait's ruler, was not likely to order the execution of any of the 17 imprisoned terrorists. That might incite the country's Shi'ite minority, which constitutes about 30% of the population. The Kuwaitis view the hijacking as part of their continuing struggle with Iran, which has sought to destabilize their country in an effort to punish it for supporting Iraq in the gulf war.

The taking of Flight 422 exacerbated tensions throughout the Middle East. Syria, which has backed Iran in the gulf conflict, apparently infuriated Tehran by refusing to let the hijacked jetliner land in Damascus after it left Mashhad; at the same time, the skyjacking deepened the split between Iran and the P.I.O. The incident seemed somehow familiar: after the TWA hijacking in 1985, Thomas Cullins, one of the American hostages, noted that "we're pawns in an incredibly complex political and religious movement." The pawns were different last week, but the game had not changed.

—By John Greenwald. Reported by Sam Allis/Larnaca and David S. Jackson/Algiers

"No! Plane of Martyrs!" replied the tow-er. "Sorry, Plane of Martyrs." As the hos-tages sweltered inside their metal prison, planeloads of European vacationers came and went at the Larnaca field, wind sur-fers skittered across the sea next to the runway, and curious Cypriot families wandered among the journalists clustered along the airport road.

Senior Airport Controller Andreas Georgiades was impressed by the gun-men's poise. "They were very calm, very cool," he said. "Other hijackers I have dealt with were angry and shouted. But you wouldn't believe these latest ones would kill someone in cold blood." Kill they did, however. Two passengers—Abdullah Khalidi, 25, and Khalid Ayoub Bandar, 20, both Kuwaitis—were shot to death and dumped on the tarmac.

Authorities at Larnaca Airport initially refused to refuel the jetliner. But after the two hostages were killed and Algeria offered to take the plane, they relented and filled its tanks, allowing the aircraft to leave for Algiers. The standoff continued in Algeria, which helped negotiate the release of 52 American hostages from Iran in 1981. Algerian officials opened talks with the hi-

jackers the day the plane landed. At one point, the jetliner was asked to taxi away from the airport terminal as a security measure while a plane carrying Zambian President Kenneth Kaunda landed. After the African leader departed, Flight 422 moved back to its old spot. Algerian sources blamed Kuwait's "intransigent" refusal to discuss the 17 jailed terrorists for the lack of progress in the talks. But Kuwait, which sent a delegation headed by Sa'ud Mohammed al-Usaymi, the Minister of State for Foreign Affairs, insisted the radicals would not be released.

To heighten the pressure, the hijackers put several hostages on the radio to plead for a resolution of the crisis. One, who identified himself as Mohammed



World

MIDDLE EAST

Gunned Down in Tunis

The murder of Arafat's deputy ignites fresh Palestinian fury

Khalil al-Wazir was sitting in the study of his comfortable home outside Tunis reading field reports when the muffled fire of submachine guns mounted with silencers disturbed the early morning quiet. Instinctively, al-Wazir drew his pistol. But the gesture was futile. The intruders, a commando unit of seven men and one woman, had already killed al-Wazir's Tunisian driver and two Palestinian bodyguards. Then, with the brutal efficiency of a well-trained hit squad, they turned their fire on al-Wazir and riddled his body with a prolonged spray of bullets. Al-Wazir, 52, Yasser Arafat's most trusted lieutenant, who was known worldwide by his nom de guerre, Abu Jihad, was dead.

The slaying of al-Wazir last Saturday shocked the Palestinian community and prompted a fresh wave of violence in the already besieged occupied territories. In

Gaza, where al-Wazir had lived as a teenager, there were protests and memorial services for the slain official of the Palestine Liberation Organization. Seven Palestinians were killed and scores wounded in clashes with Israeli soldiers. In the West Bank the scene was somewhat less violent but no less angry. Palestinians flew black flags and crowded the mosques to read commemorative phrases from the Koran. Still, tensions resulted in five deaths, making last Saturday's total death toll of at least twelve the highest daily count since the Palestinian uprisings began last December. Confronted by growing demonstrations and stone-throwing youths, the Israeli army imposed curfews on eight more refugee camps.

Several Palestinian leaders immediately blamed the Israelis for the assassination. Bassam Abu Sharif, the spokesman

for P.L.O. Chairman Arafat, charged that Israeli leaders, frustrated by their inability to quell the Palestinian uprisings, had decided to "liquidate" senior P.L.O. members. Arafat, on a tour of the gulf states in search of support for the protest activities, was described as badly shaken by the slaying of his heir apparent.

Initially, the Israelis refused to either confirm or deny an Israeli connection to al-Wazir's assassination. "Do not ask me, and I'll not have to tell you lies," a high-ranking Israeli intelligence official said. But according to TIME's Middle East correspondents, the entire operation was carried out by a commando unit of 30 members of the Israeli Defense Forces. After crossing the Mediterranean in a large vessel, the commandos switched to a dinghy to make their way ashore. In Tunisia they were met by three men carrying Lebanese passports who provided two Volkswagen vans and a Peugeot 305. Dressed in camouflage uniforms designed to resemble the Tunisian National Guard, the commandos drove to al-Wazir's house, staged the hit, then returned to the vessel.

Shamir: "This Is a New Form of Warfare"

On the day Israel deported eight Palestinians to Lebanon, Prime Minister Yitzhak Shamir met with TIME Managing Editor Henry Muller, Executive Editor Ronald Kriss, Chief of Correspondents John Stacks, Jerusalem Bureau Chief Johanna McGahey and Reporter Robert Slater. Excerpts:

Q. The situation here seems to have changed since December.

A. What has changed? Nothing has changed. You mean the disturbances? I think they will come to an end. We are used to Arab acts against Israel. We have a long history of that, and they have always failed and they will fail in this too.

Q. You don't see anything different about this uprising compared to previous ones?

A. No, no, no. It's the same. They've tried terrorist acts against us. They've tried military wars. They've tried an economic boycott. Everything has failed. This is a new form of warfare. And it will fail again because, if they want peace, they have first of all to quell these disturbances, because under this pressure, this violence, you cannot negotiate with anybody.

Q. Mr. Shultz does not appear to have resolved much in his recent visits. Is this whole exercise a waste of time?

A. Not at all. I'm very happy about his efforts. But all of us are aware that it's a very complicated task. I know this American approach that every problem has to be solved. And immediately. But we have to accept that there are many problems in the world that are very difficult to solve and this is one of them.

Q. But if the Shultz plan isn't working now, what's the alternative?

A. I think that the Camp David agreements are the best plan for solving this problem. . . . Camp David is not very favorable to Israel, but we have to take risks for peace.

Q. What's so unfavorable?

A. For instance, all the structures of autonomy. You cannot be sure that one day [the territories] would not be switched to a

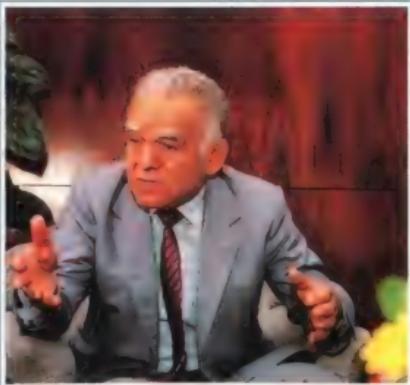
Palestinian state. I also don't think King Hussein is interested in ruling over this population.

Q. Can you see anything that would change Hussein's mind?

A. Is he a small child? Do I have to take care of him? Please, you have to take care of me too. Why all this taking care of King Hussein? There is not any danger that threatens him. We are ready to make peace with him.

Q. Do you subscribe to the land-for-peace formula?

A. Formulas are a good subject in schools. We don't live according to formulas. We invite the Arabs all the time to come



The Prime Minister argues a point during the interview in Jerusalem

The Israelis made no attempt to disguise their relief that al-Wazir's career had come to an end. "I do not know who killed him, but I do not regret the fact that someone did it," said a government official. "After all he did to us, he deserved it." A founding member of Fatah, al-Wazir was second only to Arafat in the military arm of the P.L.O. He dispatched the first Fatah squad in 1965 to sabotage Israel's main water project, and has been in charge of planning and coordinating military operations inside Israel since 1973.

Al-Wazir has been associated with two particularly brutal attacks: the 1975 takeover of the Savoy Hotel in Tel Aviv, which resulted in 18 deaths, and a 1978 coastal raid that left a trail of 45 dead bodies from Haifa to Tel Aviv. He is also believed to have helped direct the uprising in the occupied territories. Israeli authorities pointed an accusing finger at al-Wazir last March, following the hijacking of a bus in southern Israel that claimed the lives of three



That was then: the P.L.O. chief with al-Wazir in 1983

Israeli civilians. At the time, Prime Minister Yitzhak Shamir vowed, "Our hand will bring to justice those who are responsible."

Even as tensions heightened between the Israelis and Palestinians, there were some intriguing developments in Moscow. General Secretary Mikhail Gorbachev told Arafat two weeks ago that there

would be no peace in the region until the P.L.O. took Israel's security requirements into account—unusually tough instructions to a man who has refused to publicly acknowledge Israel's right to exist. Several days later, reports surfaced that Soviet Foreign Minister Eduard Shevardnadze would soon visit Syria, Jordan and possibly Egypt. Rumors flew about a stopover in Israel, but the absence of diplomatic relations between the two countries make such a visit unlikely.

In the occupied territories, al-Wazir is certain to be hailed as a martyr. Though his military deeds made him responsible for some of Fatah's bloodiest acts, he

was widely perceived as a moderate within the P.L.O. The soft-spoken guerrilla leaves behind a wife, five children and a young generation of frustrated Palestinians who, inspired by al-Wazir's death, can be expected to resort to new acts of violence.

—By Jill Smolowe

Reported by Ron Ben-Yishai/Jerusalem and Dean Fischer/Amman

to the table for negotiations, and we want to negotiate without any preconditions.

Q. Do you ever lie awake at night wondering whether there is a gesture you could make that would have the same impact as Sadat's visit to Jerusalem?

A. The initiative has to come from the Arabs. We can make a gesture if we are sure that it will be accepted by the other side. On the other hand, the Arabs know that any gesture on their side will be welcomed by Israel.

Q. The Arabs say you're not willing to speak about giving up any part of the occupied territories.

A. Why speak about giving up land? Why these formulas? I say let us negotiate without any preconditions. Where is it written that Israel has to give up everything? It's a very small country.

Q. Very few negotiations are successful without each side giving up something.

A. Sure, well, let us talk about it. But in negotiations.

Q. You recently wrote that you don't share the view that, at present population growth rates, Israel will one day have an Arab majority and thus that it will have to choose between being a Jewish state and a democracy.

A. It will never happen. In the past 20 years the proportion between Arab and Jews has changed only half a percent.

Q. But you have within your self-declared borders today at least 1.5 million hostile Arabs.

A. I don't think they will always be hostile.

Q. Why not?

A. Why not? Why yes? Because if we propose these Camp David accords, there is no reason to be hostile. I think foreigners coming from the West are more hostile than the Arabs have been. I have many Arab friends, and they are very eager to talk with me.

Q. But the Palestinians are saying something quite simple: they have national aspirations, they want to control their own lives.

A. I think this is a temporary phenomenon. We will start the process of negotiations and there will be some solutions for this problem of how we will be able to live together.

Q. What are those solutions?

A. Peacefully, but first of all we have to start the negotiations on this period of the Camp David accords. Why, why is it so difficult to sit together like we are sitting here now? What's the difficulty? I will kill them or what?

Q. They say you don't recognize their leaders, the P.L.O.

A. We will not talk to them because you cannot talk about peace with people who are against peace. I know what Arafat wants to get. I know it. He never said that he wants to get peace with us. He says certainly that he wants to see our disappearance from here.

Q. Don't all belligerents ultimately have to talk to their enemies no matter how much they dislike them?

A. Yes, yes, but there are some exceptions. The Western countries decided not to negotiate with Hitler. For us Arafat is like Hitler. He wants to see every one of us dead.

Q. Some people compare Israel and South Africa, noting that these are both countries in which some groups enjoy democratic rights, while others do not.

A. We reject apartheid and we reject this comparison. Arabs live among us, and more than 600,000 have the full rights of citizens. They are in the Knesset, they are everywhere and there is no such problem.

Q. What about the 1.5 million Palestinians who don't have those rights?

A. It's not the same situation because they are Jordanian citizens now. They're not Israeli citizens and they don't want to be.

Q. What did you mean with your use of the word "grasshopper" two weeks ago to describe some Palestinians?

A. These terrorists, these people who try to fight against us. We will overcome them. They cannot change the history of thousands of years and come to destroy us. Nobody will ever succeed in such a task, nobody.



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AFGHANISTAN

Homeward Bound at Last

Amid nagging worries, an accord on Soviet withdrawal is signed

United Nations Secretary-General Javier Pérez de Cuellar declared the occasion a "major stride in the effort to bring peace to Afghanistan," but his audience looked less than convinced. As diplomats from Pakistan, Afghanistan, the U.S. and the Soviet Union gathered in Geneva's Palais des Nations last week to sign an accord that secured the withdrawal of the 115,000 Soviet troops from Afghanistan beginning May 15, serious questions remained about a pact that had been under negotiation for the past six years.

The most problematic section called for a ban on "encouraging or supporting rebellious activities"—wording that was clearly aimed at stopping the flow of U.S. weaponry through Pakistan to the *mujahedin*, the Afghan resistance forces. That provision has been a source of contention between the superpowers for many weeks. The Soviets refused to cut off their arms supplies to President Najibullah, the leader Moscow installed in Kabul in 1986. Washington insisted on "symmetry," the right to arm the *mujahedin* as long as Moscow helped Kabul, and two weeks ago Moscow grudgingly agreed.

After the signing, U.S. Secretary of State George Shultz gave Pérez de Cuellar a statement saying that Washington reserves the right to "provide military assistance to parties in Afghanistan." It added that "should the Soviet Union exercise restraint in providing military assistance to parties in Afghanistan, the U.S. similarly will exercise restraint." Since Moscow seems determined to support its Afghan ally at least for a while, the decision all but guaranteed continued warfare in a struggle that has taken more than a million lives since the Soviet invasion of December 1979.

Though the Geneva accord will fall short of bringing immediate peace to Afghanistan, the signing was a remarkable turning point in the struggle. Much as the U.S. did in South Viet Nam, Moscow has decided to retire from a conflict it cannot win. An estimated 30,000 Soviet troops have died in the eight-year conflict (compared with nearly 50,000 U.S. troops in Viet Nam). The *mujahedin* denounced the accord last week, largely because they were not invited to participate, but they are nonetheless gleeful over the Soviet retreat. Said Nabi Mohammadi, the leader of Harakat, one of the main resistance groups: "Small Afghanistan has triumphed over the wild Soviet bear."

The bear obviously disagrees. At a meeting with U.S. businessmen in Moscow, a pleased Mikhail Gorbachev said the agreement and the general relaxation of international tensions offer a "window of hope." He added, "The possibilities of finding solutions to the complicated issues

engendered in the years of the cold war have become more apparent." President Reagan also applauded the agreement, and praised the "valiant struggle of the Afghan people to rid their country of foreign occupation." The two leaders will meet in Moscow on May 29, two weeks after the Soviet troop pullout is scheduled to begin, to discuss a 50% reduction in strategic nuclear weapons.

Yet no matter how congenial the superpowers may sound, their respective allies will remain at war. The widespread

government in Kabul acceptable to both the Communists and the *mujahedin*. Zia dismissed the suggestion that the accord meant Pakistan, which negotiated on behalf of the *mujahedin*, and the U.S. could no longer aid the rebels. "If Pakistan continues to support the *mujahedin*, then the fallout will be in the form of some arm-twisting and some border bombings and some other things," he said. "Pakistan is prepared to pay such a price until the Afghans have won their objective of changing the regime in Kabul. Pakistan will face the music."

Though recent U.S. intelligence estimates gave the Kabul regime six months to survive, Pentagon officials predicted last week that Najibullah could hold out in heavily fortified Kabul at least through



Soon to be a memory: Soviet troops atop an armored personnel carrier in Kabul

Despite congenial words from the superpowers, their allies will remain very much at war.

assumption that outside aid would continue despite the treaty was underscored last week when a series of huge explosions at a Pakistani arms dump, believed to hold supplies for the *mujahedin*, rocked the twin cities of Rawalpindi and Islamabad. Authorities put the number of killed at 94 and injured at more than 1,000.

Pakistan is investigating the blasts, but President Mohammed Zia ul-Haq believes the destruction was caused by a "very effective act of sabotage" committed by "somebody not in line with us." Considering that KHAD, the KGB-run Afghan intelligence agency, is being held responsible for several major bombings in Pakistan this year alone, Zia appeared to be pointing the finger at Kabul.

The Geneva agreement calls for the Soviets to remove their forces from Afghanistan within nine months, 50% of them in the first three months. It does not provide for a cease-fire, nor does it arrange for the establishment of an interim

the year, possibly longer. Most experts, however, feel that his fall is inevitable. Says a Western diplomat in Islamabad: "I'm certain that Najib will either be relaxing in the sunshine on the Black Sea coast or he will be dead. He has no other choices."

Still, when the time for withdrawal comes, the Soviets are expected to wage war fiercely, both to weaken the resistance and to cover their retreat. If Soviet generals have studied the bloody history of British involvement in Afghanistan, they no doubt know about the retreat in 1842 of a 15,000-man British force from Kabul toward the Khyber Pass. Only one man escaped the merciless Afghan ambushes. Even after the main Soviet forces withdraw, Moscow will do its best to shore up Najibullah with continued military assistance. Says Zia: "I see trouble and turmoil ahead." —By Edward W. Desmond. Reported by Ricardo Chavira with Shultz, and Ross H. Munro/Islamabad

Shades of Le Grand Charles

As Chirac grabs the race's No. 2 spot, a Gaullist ghost hovers

Blessed with incumbency and lack of a serious challenge from the left, Socialist President François Mitterrand, 71, easily captured the front runner's spot in this year's French presidential campaign. The real contest leading up to the first round of voting on April 24 was between his two conservative opponents, Premier Jacques Chirac and former Premier Raymond Barre, who were running neck and neck in the polls as recently as February. This week the campaign moves into its final phase, during which the release of new voter surveys is forbidden. The biggest news in the flurry of last-minute polls was not that Mitterrand continued to lead the field but that Chirac had emerged as a clear favorite to challenge him in the second round of balloting on May 8.

According to a poll published in the weekly *Le Point*, the President could capture as much as 37.5% of the vote in the first round. Chirac and Barre, who had split a 40% share almost evenly in earlier surveys, collected about the same total in this one, but it was weighted in Chirac's favor, 24.5% to 16%. Moreover, while the survey results indicated that Chirac would lose to Mitterrand 48% to 52% in a two-way race, they also showed that Barre would fare worse, losing 46% to 54%. The *Le Point* findings represented a sharp setback for Barre, 64, who had based his candidacy on the contention that he was the center right's best bet to beat Mitterrand. Barre gamely sought to fire up his campaign in the final days, adding factory tours and cafe stops, but the momentum appeared to remain with Chirac. Said a Chirac campaign official of Barre's comeback chances: "We believe it is too late for him."

Chirac, the first of the major candidates to enter the race, conducted a run-everywhere campaign and relied heavily on the formidable organization of his neo-Gaullist Rally for the Republic Party. Barre, by contrast, played down his association with the Union for French Democracy, a loose coalition of center-right parties, and consequently failed to secure a partisan boost. Even though Barre, an economics professor, offered a more trenchant critique of Mitterrand's economic and defense policies than Chirac, all too often he did so in a style better suited to university lecture halls than to political rallies. Said Political Scientist Olivier Duhamel of the University of Paris-Nanterre: "He has spoken Gaullist words but failed to achieve a Gaullist style."

If so, Barre was not the only candi-



Leader of the field: Mitterrand campaigning in Rennes
A tuneful duty declares: "Go to it, Uncle."

date to try. In a campaign that has heavily emphasized style over substance, Gaullist imagery cropped up often enough, as it has in past contests, to give an eerie ring of arrived truth to Charles de Gaulle's imperious prophecy that "every Frenchman is, or is one day will be a Gaullist." Mitterrand, an opponent of De Gaulle for the ten years of the general's presidency, also presented himself as an above-the-fray candidate, rarely mentioning the word Socialist and allowing himself to be described by Socialist Party Chairman Lionel Jospin as a leader who acquired popular support "far beyond the normal limits of his political camp." Chirac, with more ideological claim to the De Gaulle mantle than either of the other candidates, but too young to talk of deep personal ties to him, was careful to invoke the general's name in speeches and to collect endorsements of venerables from the Gaullist era.

In sharp contrast to such bows to the past was the heavy reliance on U.S.-style campaigning. Ever eager to project a youthful image, Chirac, 55, obtained endorsements from 120 leading sports figures, including Cycling Champion Jean-

nie Longo, and appeared at rallies with rock stars like Johnny Hallyday. He even publicized an endorsement from Actor Gregory Peck. Not to be outdone, Mitterrand supporters persuaded Veteran Crooner Charles Trenet to record a ditty called "Vas-Y Tonton" ("Go to it, Uncle," a play on Mitterrand's nickname, "Tonton"). Though campaign advertising is not permitted on television, the growth of privately owned channels in recent years enabled candidates to saturate the tube with appearances on news and feature shows. Even candidates' wives, who in the past played little or no part in campaigns, were lured before the cameras.

All three candidates agree on the broad outlines of foreign and defense policy, with provisions for the maintenance of an independent nuclear force de frappe regardless of future disarmament moves by the superpowers. Mitterrand calls for reimposing the so-called wealth tax on the unearned income of the rich, a measure repealed by the Chirac government after it assumed power in 1986. Chirac promises to continue selling off industries nationalized by Mitterrand in the early part of his seven-year term. While Mitterrand opposes such a move, even he no longer wants to pursue what he calls the "ballet" of renationalizing firms made private under Chirac.

The most explosive issue of the campaign focuses on France's immigrant population, some 4 million people, many of them North Africans. Representation of their claims on social and employment resources has been fanned, frequently with racial undertones, by Jean-Marie Le Pen, leader of the far-right National Front. Chirac and Barre, either of whom would need Le Pen's expected 11% of next week's vote to go their way in the second round, are handling the matter with caution, calling for immigration reforms based on the recent recommendations of a high-level commission. Mitterrand favors a new law that would allow legal immigrants lacking citizenship to vote in local elections.

Whether the conservative survivor of the first round is Chirac or Barre, he will almost certainly find himself still trailing Mitterrand in the polls. But with the gap as narrow as the 4% shown in the *Le Point* poll, there may be time in the two weeks before



Eyes on the prize: Chirac

the second round to mount a credible come-from-behind campaign. If not, Mitterrand will be the first French President to serve a second term since—who else—Charles de Gaulle. —By William R. Doerner, Reported by Jordan Bontante/Lyons and Adam Zagoria/Rennes

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World Notes



BRITAIN Loaded for salmon



AFRICA A pile of dead insect attackers in Morocco



THE PHILIPPINES Escaping the heat

SOUTH KOREA

His Brother's Keeper

When Chun Doo Hwan, 57, stepped down as President of South Korea in February, critics charged that he planned to exercise behind-the-scenes control over Roh Tae Woo, his protégé and successor. Last week, though, Chun took quite a different step: he surrendered his remaining public posts in connection with a scandal involving his brother, Chun Kyung Hwan, 45, who has been charged with embezzling \$9.6 million in national development funds. Declaring that "I have failed to control my brother," Chun resigned as head of a council that advises the President on national affairs, and as honorary president of the governing Democratic Justice Party. Chun's moves could strengthen Roh and his party in next week's election for the 299-seat National Assembly.

BRITAIN

Princely Problems

Poor Prince Charles. Remember all those rumors last year about how his marriage was on the rocks? The tabloid headlines have returned, complete with photos of Charles salmon fishing in Scotland but without Diana. Di's lack of affection

for standing in a stream is well known, so no one should be surprised that she chose to stay away. Among Charles' guests was a former flame, Lady Dale ("Kanga") Tryon. Never mind that Lady Dale's husband was along on the trip; the tabloids do not let little facts like that interfere with gossip.

Charles was also the target of some acid comments last week by Norman Tebbit, former chairman of Britain's Conservative Party. In a BBC telecast, Tebbit warned Charles not to go too far in his comments on social issues. "I suppose the Prince of Wales feels extra sympathy for those who've got no job because in a way he's got no job," said Tebbit. "He is not yet 40, yet he has not been able to take responsibility for anything."

POLAND

March of the Living

Led by Israeli Deputy Prime Minister Itzhak Navon, a column of 1,500 Jewish teenagers last week retraced the infamous two-mile route from the Auschwitz to the Birkenau death camps followed by hundreds of thousands of Jewish prisoners during the Holocaust. The youths wore jackets emblazoned with the motto MARCH OF THE LIVING, in triumphant commemoration of what became known in Nazi-era Poland

as the March of the Dead.

The three-hour service began six days of events marking the 45th anniversary this week of the Warsaw Uprising, the month-long revolt of the capital's Jewish ghetto against Nazi occupiers. The ceremonies, attended by some 4,000 Jews from around the world, mark the largest commemoration of Jewish suffering during World War II ever permitted in the Soviet bloc. The participation of elected Israeli officials was particularly striking evidence of a growing thaw in relations between Jerusalem and Moscow, which have been largely nonexistent since the Soviet Union broke off diplomatic ties with Israel during the Six-Day War in 1967.

AFRICA

Day of the Locusts

While much of East Africa is afflicted by drought and famine, the continent's northern and western regions are coping with a different tribulation: locusts. Billions of the ravenous insects have swept across Morocco, Algeria and Tunisia, and are moving into Mauritania, Senegal and Mali. Aided by heavy rains that facilitate breeding, the swarms have grown into the worst such plague in 30 years.

An international group of technical experts and field staff, led by the Rome-based

U.N. Food and Agriculture Organization, is fighting the pests. The U.S., Western Europe and the Soviet Union have donated a total of \$30 million for pesticides and field operations, but F.A.O. officials say \$150 million more is needed. "If the plague gets out of control, it will spread to East Africa and the Near East," warns an F.A.O. official. "It could be a disaster."

THE PHILIPPINES

Chinese Homecoming

The trip was President Corazon Aquino's first outside the Philippines in almost a year and a half, and it was clearly a respite from troubles at home. There, rumors swirled of another coup attempt by Colonel Gregorio ("Gringo") Honasan. Though police last week arrested eight fugitive guards who had escaped with him from a prison ship two weeks earlier, Honasan remained at large. In her absence, Aquino named a military-dominated committee to run the government.

In Beijing, Aquino held discussions with Deng Xiaoping and General Secretary Zhao Ziyang. She also visited the southern village of Fujian, from which her great-great-grandfather emigrated 182 years ago. Aquino met some 50 relatives and paid homage to her forebears in the family's ancestral temple.

Profile

The Dark Comedian

RICHARD NIXON, at 75, is still one of the funniest men in America. Only America (abysmal farce) turns out to be funnier than he

At my first interview with Richard Nixon, in his New York office in the summer of 1985, I set my tape recorder on the table beside his armchair. He stared at the machine. "That's one of those *new* tape recorders," he said admiringly. "They're so much better than the *old* tape recorders."

"Oh yes, Mr. President. These *new* tape recorders don't skip a minute." I did not say that. I did not even think it, caught so thoroughly off guard in the fearful comedy of his presence.

Yet it occurred to me, driving toward what was now my third interview with Nixon, at his home in Saddle River, N.J. (I had been there once before at a dinner last spring), that in fact I had always thought of Nixon as a comic character, a dark and serious American comic character, like someone out of Twain. Comic in the Checkers speech. Comic in the "You won't have Nixon to kick around anymore" farewell following his defeat in the California gubernatorial election in 1962. In the clownish 5 o'clock shadow of the first Nixon-Kennedy television debate. In the "I am not a crook" protest. Lighting fires in the White House fireplace in the middle of summer. Kneeling with Henry Kissinger in prayer. Phone calls to Woody Hayes. Bebe Rebozo. Robert Abplanalp. Comic names, madcap circumstances. The man who exalted the "Enemies List," vowing not to hate his haters, waving bravely from the chopper door, then flying back to California toward a town with a name that sounds like clemency.

But see: the Checkers speech effected not Nixon's disgrace but his political rescue; and we *did* have Nixon to kick around some more; and if one reviews the tapes, it is easy to conclude that he actually *won* the TV debate with Jack Kennedy; and he *was* a crook. So there. With Nixon, every circumstance eventually turns out to be funnier than he is. The nation he has trod these 75 years, the framework for his antics, is itself a dark and serious comedy, simultaneously rejecting and accepting everything in its midst: a riot, a scream. Sometimes (rarely) Nixon laughs aloud. The gunshot laugh. The "Ha!" It was that Beckett designated as the *risus purus*: the laugh laughing at itself in the abysmal farce, in which every part is deadly ridiculous, every line as funny as a crutch.

"Why the hell did we bug the National Committee? They never know anything. If you're going to bug anybody, you bug the McGovern headquarters!" [Drummer does a rimshot.]

"Jackson will have his way with the platform, and the candidate will ignore the platform. That's the way it happens." [Rimshot.]

"The media go on about the 'undecided voter.' Ha! Undecided voter. That's bullshit. Believe me, people decide about politics early on. You take the average guy. You know? Sipping beer and eating his pretzels. He's worrying about who he should vote for? While I'm on it, there's another myth in politics: that the American people, in their wisdom, like to divide power. That's why they vote for Republicans for President and Democrats for Congress. Because they want a balance of power. You think the average guy says, 'Gee! I'm afraid of that one, so I'm going to restrain him?' Ha! That's a political scientist talking. Know what I mean?" [Double rimshot.]

The comedian understands the average guy. To a degree, the comedian may stand on the outside, which is where Nixon has always considered Nixon to be. But he stands outside the insiders, that's all. Never outside the real beer-and-pretzels Americans. "My mother was from Indiana. My father, from Ohio. I always did well in the Midwest." Right now, this moment, one is absolutely certain that many thousands of his countrymen would cheer him wildly from the roadside if only they knew that it was he, Richard Nixon, seated in the back of that sedan, moving in silence every day between the Federal Plaza office building in Lower Manhattan and the large, not-quite-hidden Saddle River house.

On the way home sometimes, he tells his driver to take the route through Harlem. "I do it mainly because I want to remind myself of what it's like. And I see those damn kids, those poor little black kids. Not to be sentimental about it, but I wonder how any of them ever make it."

Then out of Harlem, over the George Washington Bridge, the car clapping rhythmically on the breaks in the segments of pavement and, whoosh, into the average guy's New Jersey. FOR A FAMILY NIGHT OUT MAKE IT YOUR PLACE. THE GROUND ROUND. A restaurant billboard on the highway not far from Huffman Koos and Wild Bill's Paramus Chrysler and the Happy Viking furniture store. Hohokus. Paramus. Mahwah. Figments of the American road show. Past the houses with the redwood decks and the fake, unclosable shutters. Houses of no color: not-green, not-yellow, not-white. The dead plunk of the coin at the EXACT CHANGE booth and onto the parkway, where high-tech factories called InSci and Timeplex crouch like bunkers near Saddle River.

Then quiet Saddle River. Lanes are named for animals. Few kids, no litter, except where crows pick at a flattened squirrel in the road. Something on every house is out of scale. The chimney is too big, or the window, or the gate. No high protective hedges here. Residents seem to want to be assured that everyone in sight has made it.

Is this where Richard Nixon belongs? No one doubts that he has made it. Phlebitis or no, he looks terrific these days: color in the cheeks, eyes alert, on top of things. About to publish his sixth book in ten years, *1999: Victory Without War*, he has made Saddle River a Delphi for the nation's politicians. They act, he broods. In the 14 years since his resignation-ouster, it is said that he has crafted a new base of power out of his expertise and cunning, a calculated rehabilitation.



Profile

He laughs at the word rehabilitation as a cliché. As for the calculation, there must be a good deal of that, but Nixon could no more keep his natural ambition in check than could a beaver abstain from dam construction.

In his study (deep blue bookshelves, oriental rugs, Chinese vase, French desk), he props his feet on a large fluffy ottoman. The heels on his black loafers look new. The soles are white, clean as a whistle.

House beautiful: splashes of riches in pleasing, non-disruptive, conventional taste. Yet Nixon dissociates himself from the American upper class. He loathes that class, not for its money or education (he has both), but for something more painful. The loathing erupts like granite outcroppings in his conversation and in his new book. It emerges in contemptuous references to "America's leadership class," the "negativists in our great universities" and, most frequently, "the brightest and the best," for some reason always applying the word order of the hymn and inverting David Halberstam's book title, with ten times the scorn. With those "damn kids" in Harlem, he seems to feel a remote but genuine kinship—not to be sentimental about it. But at the mere thought of the Harrimans, the Bundys, the Kennedys, an excruciating anger enters his voice, reaching as deep into Richard Nixon as any feeling can reach, a fist in the entrails.

"Dukakis has to avoid being Mondale-ized. [Rimshot.] He can do it, and I'll tell you why. You see, McGovern believed all that liberal stuff. Dukakis does not. He is simply reflecting the Massachusetts, the M.I.T., the Harvard, the Kennedy School line, and all those people, and so forth."

What is the crime committed by all those people, and so forth?

It is not as simple as their having looked down their nose at Richard Nixon. Those people do not understand Richard Nixon: "How I could be both a liberal internationalist and a conservative. You see my point?" A moment to be relished. "I remember when we went to China. Henry [Kissinger] says, 'They [liberal] are dying because you did it.'" Followed by a canny aside: "Of course, Henry is sort of an expert at that. He plays that crowd pretty well."

Even now, how that crowd gets under Nixon's skin! Much of the reason is classic American: the man who all his life had to claw and struggle to the top, seething in the presence of, under the scrutiny of, those whose prominence and power came as easily as slipping on a coat. But there is something else here. The brightest and the best also had a kind of grace that Nixon never knew. A grace of attitude, manner, form, social badinage, perhaps created out of generations of privilege, perhaps not; the unprivileged are also often born with grace. Grace did not descend on Nixon. "I was never much of an athlete, but I follow sports, you know." He of the contorted poses, the puckered face, the hunched-shoulder walk; he of the inability to lie and not get caught. Graceful people don't get caught. "Everybody tapped phones, you know. It's going on right now."

The dark and serious comedy. The graceless, awkward, stiff, stumbling character trips about in a world occupied by natural athletes and virtuous statesmen.

though once he commanded that world. Preposterous contrasts are always good for a laugh. Alone onstage in Saddle River, the comedian raises himself to the company of heroes, soliloquizing that "it is necessary to struggle, to be embattled, to be knocked down and to have to get up." Look at history's great leaders, he says. They have all trod the wilderness at times. Churchill. De Gaulle. Adenauer. If the audience thinks such comparisons absurd, clearly the comedian does not; that is the purity of the comedy. But, whatever it may think, the audience does not laugh—at this or at anything he says ("That's a new tape recorder")—because under the still alive scorn, the still alive paranoia, lives the embodiment of resilience. *Homo redivivus*. Degraded, insistent, recovering Man.

To be knocked down and to have to get up, that's the ticket. Never mind that it was he who arranged for most of his pratfalls: the getting up still elevates the comedian to something grand. Hard to believe. After all that one knows about Nixon, you would think it is impossible to feel admiration for him, much less affection, but then

you realize that you are staring across the study at a man whom the citizens of your country elected to save it and to lead the world, not once but twice, nearly three times; who right now, today, senses enough about what America wants from his presidency to go on the stump and bring down the house. The remarkable display is not merely of will but of his mind. The swirling patterns of the world, the manipulating strategies his mind delights in. The Soviets, the Chinese, the Japanese, the Nicaraguans. NATO: he adores the map. He would play with it still if he could. Temperamentally, he

seems more the monarchist French diplomat than the Republican American, yet he understands his country in his bones, half cynically, half naively, much like Gatsby. The only thing that Nixon did not understand is Nixon. (Talk about funny!) Perhaps his resilience is a function of his intelligence: "I'm fighting getting old." Perhaps he knows that in the human comedy of politics, the last man onstage is the hero.

Which makes the audience part of the comedy. "Renewal," he says at lunch. "Americans are crazy about renewal." [Rimshot.]

I mentioned that my second visit with Nixon occurred at a dinner last spring in Saddle River. The ground outside his house was soaked with rain, and no sooner had I entered the living room than I realized that I had tracked great clods of mud on the yellow-white carpet. Flustered, I called to the butler and asked him to do what he could with my destruction while I cleaned off my shoes in the bathroom. When I went back to the living room, scared to death, the carpet was spotless. Not a trace of a stain anywhere. The yellow glowed like sunshine. Several other guests were in the room now, chatting away raucously, as if nothing dirty had ever happened in their midst. The journalist simply stared at the place where the mud had been.

And then the President entered, smiling like a baby, and all rushed to welcome him into the room.

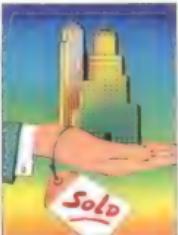
—By Roger Rosenbloom

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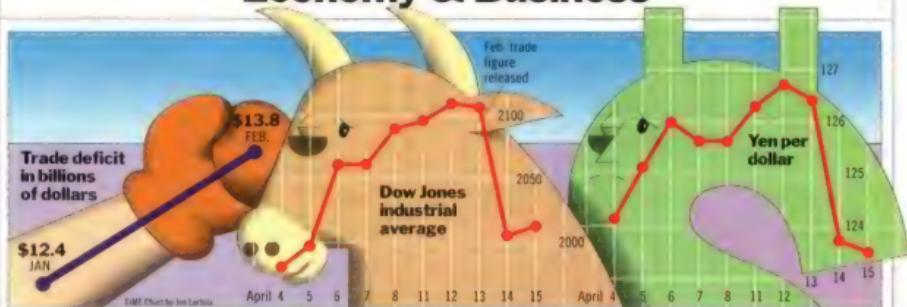
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ABOVE AND BEYONDSM

Economy & Business



Punch in the Eye

A rising trade deficit and faster inflation threaten the expansion

The bad news hit the financial markets last week like a right cross from Heavyweight Champ Mike Tyson. An unexpected rise in the U.S. trade deficit knocked down the dollar against foreign currencies and sent the U.S. stock and bond markets reeling. Combined with an alarming surge in producer prices, the disappointing trade figure for February increased the odds that the Federal Reserve Board might feel compelled to raise interest rates to stabilize prices and defend the dollar. With that, the threat of a downturn—and another stock-market crisis—loomed once again.

Things had looked quite different early in the week, when optimism about trade ruled the markets: stocks were climbing, and everyone seemed to have forgotten that the Dow Jones industrial average had fallen 508 points last Oct. 19. The upbeat mood was shattered at 8:30 a.m. Thursday as the Commerce Department's report on merchandise trade flashed across TV screens and computer terminals. Investors, who for the most part had been expecting a continued improvement in the trade balance, were stunned to see that the February deficit was \$13.8 billion, an increase of 11% from the \$12.4 billion shortfall recorded in January. Within minutes, currency traders in Western Europe drove the value of the dollar down by about 2% against both the West German mark and the Japanese yen.

Wall Street had to wait until the 9:30 a.m. opening bell at the New York Stock Exchange to display the full force of its displeasure, and then the Dow started 45 points below Wednesday's close. Traders tried to sustain a morning rally, but by

midafternoon, prices were falling across the Big Board. At the end of the day, the Dow was down 101.46 points, its fifth worst drop in history.

Significantly, it was the steepest plunge since the New York Stock Exchange on Feb. 4 adopted rules that are designed to curb the volatility caused by program trading, which involves buying and selling huge blocks of many different stocks. According to the new guidelines, whenever the Dow is either up or down by 50 points in a single day, investment firms are no longer allowed to use the Big Board's computers to execute program trades. Last Thursday the 50-point barrier was broken for the first time on the down side, and though the new regulations were invoked, the Dow kept plummeting. Brokerage houses simply used alternative methods to carry out program trades, albeit more slowly than usual. Said Thomas Gallagher, head of institutional trading for the Oppenheimer brokerage firm: "The stock market remains extremely volatile. People are still frightened by the power of program trading."

Whatever hopes brokers had for a rebound the next day were thwarted by another burst of bad news. The U.S. Government revealed that producer prices surged by 0.6% in March, after dropping 0.2% the month before. Though it was only a one-month figure, and one that may be an aberration, the 0.6% increase translated into an annual rate of 7%, far higher than last year's 2.1% upswing in producer prices and 4.4% hike in consumer prices. Even so, the market reacted more calmly to the news than many investors thought it would. After being down by more than 30 points, the Dow struggled back to fin-

ish the day with a modest 8.29 gain. It closed at 2013.93, off 76.26 for the week.

The Reagan Administration did its best to ease concern about the trade deficit. Officials pointed out that the February gap was still far less than the record \$17.6 billion set last October. "Monthly trade figures are by their nature erratic," Treasury Secretary James Baker said in a speech at a meeting of the International Monetary Fund in Washington. Echoed White House Spokesman Marlin Fitzwater: "We think the market has overreacted to a one-time report, and we hope this thing will stabilize."

The trade picture deteriorated largely because of an unexpected spurt in imports. Americans bought \$37.4 billion worth of foreign goods, up \$2.6 billion from January. Virtually all that gain reflected an increase in purchases of manufactured products from abroad, particularly machinery and capital equipment. As a result, the U.S. deficit with Japan, Canada and Western Europe, the leading capital-goods producers, worsened during the month, even as imbalances with newly industrialized countries as South Korea and Taiwan stayed about the same. Some experts, including Jerry Jasinski, chief economist of the National Association of Manufacturers, viewed the import rise as a sign that industrial demand in the U.S. is outstripping domestic capacity. Foreign products are selling in the U.S. because corresponding American-made merchandise is unavailable. Said Jasinski: "We are apparently not making capital investments rapidly enough."

On the bright side, U.S. exports rose to \$23.6 billion, a \$1.3 billion gain over January. Especially encouraging was the news that many of those shipments included expensive products like scientific instruments. Said Arthur Levitt Jr., chairman of the American Business Conference, an association of midsize companies: "The growing sophistication and variety of our export portfolio is excellent news for future American employment and economic growth."

As concern about the trade deficit rose, Congress struggled to complete the Omnibus Trade and Competitiveness Reform bill, a mammoth piece of legislation with hundreds of provisions intended to boost exports and curb imports. While lowering tariffs on some products, the legislation is meant to protect U.S. companies against imports, especially from countries like Japan that run huge trade surpluses with the U.S. Many economists suggest, however, that the package may backfire since it could spark retaliatory action against U.S. exports.

At the moment, the most controversial provision of the bill is a seemingly extraneous measure advocated by labor unions that would require companies to give workers 60 days' advance notice of any plant closings or layoffs. The White House opposes the idea, but Democratic leaders in Congress have refused to drop it. U.S. Trade Representative Clayton Yeutter promised last week that President Reagan would veto the bill if the plant-closing provision stayed in.

Some economists are convinced that only a further drop in the dollar can substantially reduce the trade deficit—by making imports more expensive and American goods cheaper overseas. While economists have been calling for a weaker dollar for years, they are less certain about precisely how far the dollar should fall. The major industrial countries are reluctant to allow any additional dip in the dollar. The U.S. knows that a falling greenback could bring rising inflation and interest rates, while America's trading partners are worried about their export industries. Just before the trade report was released last week, finance ministers from the Group of Seven—the U.S., Britain, West Germany, France, Japan, Canada and Italy—reaffirmed their desire to stabilize currency markets. "A further decline or rise in the dollar to an extent that becomes destabilizing ... could be counterproductive," the group declared.

The G-7 central bankers tried to back their words with action. When the dollar began tumbling in midweek, they quickly intervened in foreign exchange markets, buying up the U.S. currency. But the strategy only slowed the greenback's retreat, and if the trade picture keeps deteriorating, central bankers will find it increasingly difficult to prop up the dollar. Investor pressure to drive the currency down could prove overwhelming. Says Howard Wachter, professor of economics at Amer-

ican University: "If the dollar really falls outside the band agreed to by the G-7 and direct intervention cannot restore it, then we risk a free fall of the dollar."

If that were to happen, it could further raise the prices of foreign goods in the U.S. and thus accelerate inflation. So could a recent surge in energy costs, which was responsible for much of last month's increase in the producer price index. Oil prices, in particular, have been climbing for several weeks and may keep going higher. Reason: for the first time ever, oil producers who remain outside the Organization of Petroleum Exporting Countries (among them: Mexico, Egypt, Malaysia and China) have agreed to meet formally with the struggling cartel. This expanded group of oil exporters, which controls 57% of production outside the

Soviet Union and Eastern Europe, could try to boost prices by fashioning an agreement to limit output. While such a pact might fall apart if producers cheat on quotas, as they have so many times in the past, word of the proposed meetings, which are scheduled to begin April 23, sparked a rally in the oil markets. The price of West Texas Intermediate crude rose by almost 12% last week, closing at \$18.35 per bbl., the highest level since December.

If prices in general start to get out of control, the markets will look for a strong response from Federal Reserve Board Chairman Alan Greenspan, who has repeatedly warned of the dangers of inflation. The Fed is likely to raise interest rates, if necessary, even at the risk of derailing an economic expansion cycle that



Treasury Secretary Baker, left, and Fed Chairman Greenspan at last week's IMF meeting



A Big Board trader during the 101-point dive
Program-trading curbs didn't halt the drop

is now entering its 66th month. Not surprisingly, the mere mention of a possible economic slowdown makes Wall Streeters worry about another crash. Last week, just as the Dow was cascading toward its 100-point loss, John Phelan Jr., chairman of the New York Stock Exchange, and Leo Melamed, chairman of the Chicago Mercantile Exchange, voiced concern about the stability of the markets. In testimony before a House subcommittee, they revealed that they were devising a plan to prepare for another possible collapse. Their tentative proposal: to stop all trading in stocks and stock-index futures as soon as the Dow moves up or down by a specified amount. Phelan would like to see trading halted as soon as the Dow drops by 300 points, while Melamed would close the exchanges following a 200-point loss. After Wall Street's jittery response to last week's discouraging economic news, such planning seems uncomfortably necessary. —By Barbara Rudolph.

Reported by Richard Hornik/Washington and Eugene Linden/New York

Economy & Business

Publishing with a French Accent

Hachette spends \$1.2 billion to become a major player in the U.S.

Among the U.S. assets being ogled by foreign interests these days, publishing companies have been popular buys. Reason: such enterprises, notoriously risky if started from scratch, can be bought at a relative bargain price because of the dollar's decline over the past three years. Last week Hachette, France's largest publishing house, helped itself to two generous slices of the U.S. market in just four days. First Hachette agreed to pay \$448.6 million to purchase Connecticut-based Grolier, the publisher of the *Encyclopedia Americana*. Then the French firm paid \$712 million for Diamond's Communications, the owner of a dozen magazines, including *Woman's Day* (circ. 6 million), *Car and Driver* (191,000) and *Stereo Review* (532,000).

With its U.S. periodicals, Hachette expects to become the world's largest magazine publisher, controlling 74 titles with an estimated \$1.9 billion in revenues this year. The Grolier purchase will make Hachette the world's third largest

book publisher, after West Germany's Bertelsmann and the U.S.'s Simon & Schuster.

Hachette, under Chairman Jean-Luc Lagardère, entered the U.S. market quietly, launching two joint ventures with Rupert Murdoch. The first, a U.S. edition of



Lagardère and a few of his acquisitions

France's *Elle* fashion magazine, which made its debut in 1985, was an almost instant success (current circ. 850,000). *Premiere*, a movie monthly, also got off to a strong start (circ. 300,000).

Aiming for a much larger U.S. position, Lagardère last November offered CBS \$600 million for the 19 publications that constituted the company's magazine group. CBS spurned the offer in favor of a rival \$680 million leveraged buyout led by the magazine division's head, Peter Diamond. Since then, Diamond has unloaded seven magazines for \$243 million, but the sales in no way diminished Hachette's ardor for the remaining package. The company paid more than \$700 million for the dozen magazines that had sold only a few months earlier for around \$400 million.

Hachette joins a fast-growing list of foreign publishers operating in the U.S.

Just last February, Britain's Pearson paid \$283 million to take over Addison-Wesley, a Massachusetts-based textbook maker. As the buyouts continue, U.S. publishing may become increasingly like its European counterpart, an industry that is dominated by a few behemoths.

—By Daniel Benjamin.

Reported by Thomas McCarroll/
New York and Adam Zagorin/Paris

Air Follies

Tales of snafus and sloppiness

Public confidence in airline safety, already shaky, got another pair of rough jolts last week. First the Federal Aviation Administration asked carriers to inspect 330 Boeing 747 jumbo jets now in operation for possible fuel leaks that could cause fires in the cargo hold. The directive came after several serious complaints from Japan Air Lines and British Airways about quality-control problems in Boeing planes made public. Then the FAA announced a sweeping investigation of Texas Air, the largest U.S. airline company (with 20% of the nation's air traffic).

The agency has launched a new search for safety violations at Texas Air's Eastern Air Lines and pledged to take the unusual step of looking at the parent company's financial records to see if its economic woes are compromising passenger welfare.

For more than two years, the FAA has been pressuring Eastern to improve its aircraft maintenance, but the agency is still not satisfied. In the next month, FAA inspectors will go over all 267 planes in the carrier's fleet. The agency disclosed that of the 60 aircraft checked so far, six have been at least temporarily grounded by Eastern so that repairs

can be made. As a result of previous inspections, the FAA proposed to fine the airline \$823,000 for recurring maintenance violations.

FAA officials fear that money may be at the root of Eastern's maintenance difficulties. Texas Air, which also runs Continental, lost \$466 million last year on revenues of \$8.5 billion. Some of Eastern's pilots and mechanics charge that the carrier skimps on repair work to save cash.

Texas Air responds that such allegations are a ploy used by Eastern labor unions in their ongoing fight with management. In current contract talks with Eastern machinists, Texas Air Chairman Frank Lorenzo is seeking wage cuts of as much as 60%. Company officials say the

workers are publicly bad-mouthing Texas Air to force Lorenzo to back off. In full-page newspaper ads last week, Eastern claimed that it outspends all its rivals on maintenance (\$500 million last year).

More surprising than Eastern's continuing troubles are the snafus at Boeing, long acclaimed as one of America's premier manufacturers. The company's business is booming, but its flat-out production schedule is suspected of putting a strain on quality control. The discovery of a fuel leak on a JAL 747-200 (later traced to a faulty bolt) led to the FAA's call last week for inspections of the Boeing planes.

The Japanese carrier has made public other major foul-ups as well. In one of its new 747s, the temperature gauges had

been wired so that overheating in engine No. 1 showed up on the gauge labeled engine No. 4. In an emergency, the pilot might have shut down the wrong engine and made matters worse. In five of JAL's 767s, the fire-suppression system in the cargo holds was incorrectly installed. When activated, the system would spray fire-retarding Halon gas into the wrong area. As Boeing studies its quality-control procedures, Dean Thornton, president of its commercial-plane division, vows, "If there is something wrong, we will fix it."

—By Gordon Bock.

Reported by Jerome Cramer/Washington and Edwin M. Reingold/Los Angeles



The FAA charged Eastern with maintenance violations. Inspectors began peering into every aircraft.

Business Notes



AUTOS Free trips to Europe with every car



SANCTIONS Dickinson with his beans



TAKLOVERS De Benedetti, right, at the showdown meeting of the shareholders of Société Générale

BANKING

To the Rescue: Casey at Bat

The financial community gasped last month when the U.S. Government had to prop up First RepublicBank of Dallas with \$1 billion, but the true magnitude of the bank's problems was not evident until last week. Awash in bad real estate and energy loans, the bank projected a loss of \$1.5 billion in the first three months of 1988, the second largest quarterly deficit in U.S. banking history. (Citicorp lost \$2.5 billion in the second quarter of 1987.)

Appalled by the bank's condition, federal regulators asked Chairman Gerald Fronterhouse to resign. His replacement is Albert Casey, 68, who steered once troubled AmericanAirlines back on course as chairman from 1974 to 1985. AmericanAirlines had been laden with many layers of unnecessary staff and subsidiaries. Says Casey: "I fired them all and cleaned them out." He may have to be as ruthless at First RepublicBank.

AUTOS

Come Fly With Us

The offer: a free flight from the U.S. to West Germany. The catch: you have to buy a Mer-

cedes-Benz. For the first time in its history, Daimler-Benz is resorting to an American-style gimmick to sell its luxury cars in the U.S. Because of the falling value of the dollar, the starting price in the U.S. for the smallest Mercedes, the 190 E 2.3, has risen by 32% over the past three years, to \$29,000. As a result, U.S. sales have stalled, and the company has had to abandon its traditional take-it-or-leave-it attitude. Customers who take advantage of the Daimler-Benz offer can tour its Stuttgart factory, pick up their favorite model at a discount of up to 10% and be reimbursed for their air fare.

DEALS

Trump Meets His Match

Few of Wall Street's handicappers seriously expected TV Tycoon Merv Griffin to win when he challenged Manhattan Developer Donald Trump for control of Atlantic City's Resorts International hotel and casino. But last week Griffin surprised anyone who doubted his dealmaking acumen. Setting a month-long wrangle, Trump agreed to go along with Griffin's offer to buy the company's outstanding stock, including the developer's majority share, for an estimated \$300 million. In exchange, Griffin will sell Resorts' nearly completed Taj Mahal hotel-casino, other real estate and its fleet of

helicopters to Trump, assets that the developer says are primarily what he wanted. While both sides claimed success, Griffin clearly foiled Trump in his plan to fold the entire Resorts company into his casino empire.

SANCTIONS

Close to the Last Drop

Even after President Reagan imposed a trade embargo against Nicaragua's Sandinista regime in 1985, Americans partial to that country's rich coffee could still find it in gourmet stores (at about \$7 per lb.). The Administration allowed the coffee to be sold because it did not enter the U.S. directly from Nicaragua; foreign firms roasted and packaged the beans, then delivered them to American companies. But now the Treasury Department is considering an outright ban as a way of further pressuring the Sandinistas to become more democratic.

Such a move would be devastating for the small companies that have been importing \$1.4 million worth of the coffee annually. Says Rink Dickinson, president of Boston-based Equal Exchange, which sells Nicaraguan coffee under its Cafe Nica label: "We feel the rug has been arbitrarily pulled out from under us." Sympathetic Congressmen are urging the Administration to drop the idea.

TAKLOVERS

Down, But Not Out

Belgians were outraged when Italy's Carlo De Benedetti, 53, the aggressive chairman of Olivetti, announced plans last January to take control of Société Générale de Belgique, their country's largest and most diversified company. Last week, with the help of Compagnie Financière de Suez, a French merchant bank, they managed to stop him—at least for the moment.

The showdown came at an emergency stockholders meeting demanded by De Benedetti and his allies, where more than 1,000 shareholders crowded into a carnival tent set up behind Société Générale's elegant offices in Brussels. Despite a last-minute plea by De Benedetti, in which he argued that the 166-year-old conglomerate, best known as La Générale, needed better management, he was rebuffed.

De Benedetti may not have managed to muster the majority vote needed to take control of the firm, but La Générale has not heard the last of him. He still holds 45% of the shares, more than enough to have a major voice in the restructuring process that the firm now plans to undertake. Said he: "Sooner or later, in a week, in a month, in six months or a year, I and my associates will play the major role that belongs to us."

COVER STORIES

Do You Believe In Magic?

Starring in its own Cinderella story, Disney transforms itself



nce upon a time, in a popular tourist destination called the Magic Kingdom, there lived some very prosperous characters. They were happy all the time (except for Grumpy, but it was his job to be that way). They produced souvenirs, cartoons and movies that were the delight of families around the world. But one day a great disenchantment fell over the kingdom, for the magic no longer worked. Tinker Bell's pixie dust had lost its twinkle. A teenage boy was even heard to say, "I wouldn't be caught dead going to one of their movies." The whole kingdom fell into such deep gloom that ruthless Corporate Raiders attacked the magic realm, aiming to sell off its treasures and keep Cinderella's Castle as their trophy. But a man named Roy, noble nephew of the late Uncle Walt, sought help from the one person in whom everyone could believe: Prince Michael the Creative. When Michael arrived, there was rejoicing along Mickey Avenue and Dopey Drive. The happy sounds even attracted a wealthy white knight named Sid the Bold. "Michael puts a smile on my face," proclaimed the once somber Sid. The kingdom's citizens, singing "Hi ho, hi ho," went back to work, making more magic than ever before. From somewhere far beyond the kingdom, Uncle Walt could be heard whistling his happiest tune, *Zip-A-Dee Doo-Dah*.



Not long ago, America's beloved Disney empire seemed destined for an unhappy ending. After an uninspired decade or more, Disney had fallen prey to take-over artists who wanted to break up the company like a rusty old carnival ride and sell its pieces to the highest bidders. But someone at Disney must have wished upon a star—maybe all 30,000 employees did. After sliding within a cricket's whisker of defeat in 1984, Disney has come chirping back. Cheerleading a staff of go-team-go executives, Chairman Michael Eisner, 46, and President Frank Wells, 56, have pulled off one of the most dazzling corporate turnarounds since Lee Iacocca steered Chrysler back from the brink. Says Sid Bass, the Texas billionaire whose family has earned a paper profit of more than \$800 million as the largest investors in Disney: "This is an incredible group of leaders. The hours they work are extraordinary, but they're having a ball."

Rather than merely preserving Disney as a dusty institution, though, Eisner and company have reanimated its fantasy factory with their own ideas. Such characters as Mickey, Donald and Pluto are now being joined by the likes of Roger Rabbit, Webbigail VanderQuack and Georgette the poodle. From movies to theme parks to television to retail products, Disney is the hottest all-around entertainment



maker in America. And maybe beyond: the most popular children's TV program in China, seen by nearly 200 million viewers each Sunday evening, is the 1½-year-old *Mickey and Donald Show*.

Disney's financial performance is a wonder as well. From fiscal 1983 through 1987, annual revenues more than doubled, to \$2.9 billion, while profits nearly quintupled, to \$444.7 million. During that time the value of the company's stock has zoomed from \$2 billion to nearly \$10 billion. Says David Matalon, president of rival Tri-Star Pictures: "When it comes to Disney, there are two camps in this industry: extreme jealousy and admiration. I fall into the latter one."

Signs of Disney's triumphs are suddenly as conspicuous as Mickey Mouse ears. During the first three months of this year, Disney's movie studio ranked No. 1 in Hollywood, reaping an astounding 30% share of all U.S. box-office revenues, vs. 4% just four years ago. For most of the first quarter, three of the country's top five movies were Disney's: *Three Men and a Baby*, which has grossed \$160 million so far, *Good Morning, Vietnam* (\$110 million) and *Shoot to Kill* (\$30 million). On TV, Disney has a hit sitcom, *The Golden Girls*; two popular new cartoon shows, *The Adventures*

of the Gummi Bears and *Duck Tales*; the third-ranked game show, *Win, Lose or Draw*; and a reborn flagship program, *The Disney Sunday Movie*. At the three thriving Disney theme parks—in California, Florida and Japan—total attendance ballooned past 50 million during 1987, up 22% from 1984.

Last week Disney's fanfare machine worked overtime to observe two special occasions. Tokyo Disneyland marked its fifth anniversary with a song-and-dance wingding featuring 800 performers and a nighttime parade of 44 twinkly floats. In Los Angeles the animated personalities of Mickey, Minnie and Donald frolicked on the Academy Awards show to celebrate the mouse's 60th birthday this year, an event Disney will observe with all the frills this fall.

It may be that Disney's Golden Age is only beginning. The company will break ground this summer for a \$2 billion Euro Disney near Paris, which is expected to open in 1992. At the Florida park, Disney is building \$1.4 billion worth of new attractions. In animation, the company aims to release one new feature-length fantasy every year, an ambition Walt never achieved. Two are due in 1988: *Who Framed Roger Rabbit?* in June and *Oliver and Company* at Thanksgiving time. And coming to a mall near you is a Disney

store in which the company will sell thousands of licensed products, ranging from *Rock Around the Mouse* records to software for drawing Mickey and his friends on a computer screen.

Eisner's revival of Disney has made him the current king of Hollywood and the darling of Wall Street. More important, though, is that Disney fans have begun to recognize him as a corporate hero of sorts, a long-awaited, trustworthy heir to Walt. Eisner has established himself as a charismatic, young-dad figure by appearing each week as the host of the *Disney Sunday Movie*, where the husky-voiced executive clownes with Mickey, Minnie and other colleagues. "This job is so perfect for him," says Dawn Steel, president of Columbia Pictures and a former co-worker at Paramount. "He's childlike in terms of his enthusiasm and how he sees the world. He's eternally young." Nowadays when the 6-ft. 3-in. chairman strolls through Disney's theme parks with his family, fans scurry up for autographs and snapshots. "I'm not exactly a movie star," Eisner says, "but I'm very popular with under-ten-year-olds."

Yet the new Disney is not just kid stuff. Under its Touchstone label, Disney is making movies that often contain more than a sprinkling of sex and mayhem. "Disney is still Disney, the one ingrained



Roy Disney grew angry over the company's inertia and began a revolt to overthrow the firm's entrenched officers. Now he is vice chairman

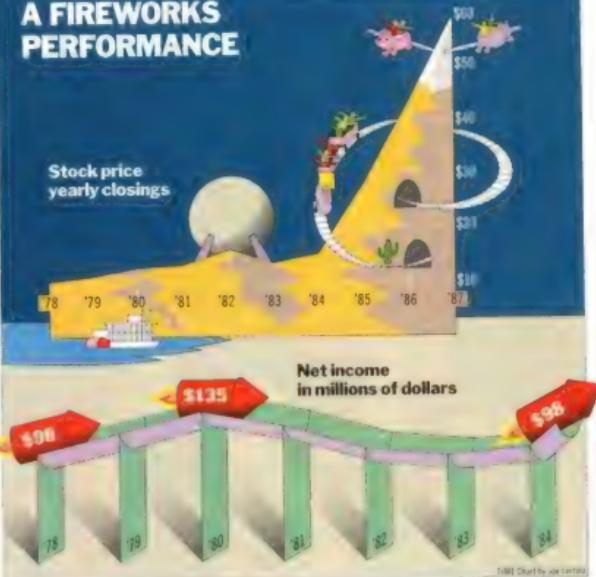


Frank Wells was taking time off from show business to climb mountains when he was enlisted by Roy Disney to help in the rescue effort as a legal and financial whiz



Michael Eisner proved to be more than just a chairman, emerging as the heir to Walt's creative leadership—a young-dad figure and chief cheerleader

A FIREWORKS PERFORMANCE



in the American memory," says Robin Williams, who stars in *Good Morning, Vietnam*. "But it's a different Disney, doing different things. Touchstone is from the same family, but it's a new child in town. This Minnie has nipples."

And Mickey has teeth. When it comes to dealmaking, Disney is aggressive and stingy almost to a fault. Its executives control budgets fiercely, skimp on employee salaries, come Hollywood for actors who are down on their luck, and drive mean bargains with everyone from talent agents to foreign governments. Disney can be "terrible to negotiate with," says Tom Selleck, who co-starred in *Three Men and a Baby*. "But I applaud the fact that they're tough. I think they've brought some sanity back to this business."

Like so many companies started by a brilliant, autocratic entrepreneur, Disney almost did not recover from the loss of its original leader. Even though Walt, who formed the company with his brother Roy in 1923, was never talented enough as a drafter to draw most of the characters he invented, or even to duplicate his trademark signature for autograph seekers, he was a one-man show. As corporate legend has it, Disney dictated the entire narrative of *Snow White and the Seven Dwarfs* (1937) from memory as his animators scribbled the tale onto storyboards. When Disney died in 1966, the company went into virtual suspended animation. Disney's last big hit of that era was 1969's *The Love Bug*.

about a Volkswagen named Herbie

Walt Disney's successors were terrified of tampering with what had been a winning formula. When contemplating new ideas, they constantly wondered aloud, "What would Walt have done?" During the 1970s, Disney's top executives allowed the creative side of the company to wither while they focused their attention on real estate development, which seemed a surer bet. This outraged the largest individual stockholder, the late Roy Disney's son, also named Roy, who owned 3% of the company. "I remember thinking that if that pattern went on much longer, the company would become a museum in honor of Walt," says Roy, now 58. "Movies were the fountainhead of ideas, the impetus for all the rest. Without *Fantasia* and *Snow White*, Disneyland couldn't have been built." Yet Disney's management rejected Roy's advice and privately disparaged him as Walt's "idiot nephew."

The long-time heir apparent at Disney was Ron Miller. Walt's shy but well-meaning son-in-law, who was made chief executive in 1983, Miller gamely tried to push the company out of Walt's shadow, primarily by starting Touchstone Pictures to enable Disney to produce adult fare without compromising the company's image. In 1984 the Touchstone label produced Disney's first hit in more than a decade, *Splash*, in which Daryl Hannah played a frisky mer-



Main Street U.S.A. captures spirit in the night at the Orlando theme park, where attendance reached 26 million last year

maid. But by then the company's profits and stock price were already plunging. The same day that Disney released the film, Roy Disney made a splash of his own by resigning from the board to launch an effort to oust the top management. He sensed an outside takeover looming, which he aimed to fend off. Meanwhile, Manhattan Raider Saul Steinberg, hearing a tip about Disney's turmoil, began to buy a huge chunk of its stock. Contending that Disney was worth more money in pieces than as a whole, Steinberg proposed to sell off everything but the theme parks.

Flustered and unfamiliar with the ways of Wall Street, Miller's regime wound up paying Steinberg \$52 million in greenmail to sell back his Disney stock and let them alone. But the company's weakened condition gave Roy Disney the leverage he needed to push for a new slate of leaders. One of his informal advisers had been Frank Wells, a former vice chairman of Warner Bros., who had taken time out from show business to climb the highest mountain on each of the seven continents (he had to turn back 3,000 ft. below the summit of Mount Everest, the only one to frustrate his ambition). Wells clearly had the right stuff, especially as a financial man, but his most emphatic advice to Roy Disney was to hire Michael Eisner, president of Paramount Pictures. In eight years as the No. 2 man at Paramount, Eisner had been the wunderkind behind a string

of hits, ranging from *Saturday Night Fever* to *Terms of Endearment*.

Yet when Roy Disney proposed a new management with Eisner as chairman and Wells as president, some company directors objected. According to Journalist John Taylor in his 1987 book, *Storming the Magic Kingdom*, they saw Eisner as an ideal man who would be too inexperienced as an administrator and financier to handle a large corporation. The directors came close to rejecting Eisner in favor of an older, more buttoned-down candidate. But then Roy Disney's attorney, Stanley Gold, made an impassioned speech to the directors: "You see guys like Eisner as a little crazy ... but every great stud in this business has been run by crazies. What do you think Walt Disney was? The guy was off the god-damned wall. This is a creative institution. It needs to be run by crazies again."

This time creativity carried the day, and the Eisner-Wells team took charge in September 1984. The Disney board ousted Miller, while voting Roy to the post of vice chairman. The Eisner-Wells duo flew immediately to Fort Worth to enlist support from Sid Bass, whose family was amassing a stake in the company (currently 17%). Bass was so impressed with Eisner and Wells that he promised to hold the stock for five years, an unusual commitment that would make Disney far less vulnerable to further takeover troubles.

Eisner had been a latecomer as a Disney fan. Growing up on Manhattan's

Park Avenue, he seldom watched TV or went to the movies. Eisner's parents—his father a lawyer-entrepreneur and his mother the president of a medical-research institute—strictly rationed his pop-culture consumption. Recalls Eisner: "For every hour of television I watched, I had to read for two hours." Eisner dabbled in premed studies as a freshman at Ohio's Denison University, but eventually found better chemistry in the literature and theater departments. The first time he saw a Disney film was several years after college, when he went with his wife Jane to a Bronx drive-in to see the richly hued *Pinocchio*. "I just couldn't believe the difference between that film and all the other animation I'd watched," he recalls. Starting his career as a page at NBC in 1963, he eventually became a top executive at ABC, before moving to Paramount. Still, when he arrived for his first day on the job at Disney, he felt nervous. "I knew nothing and asked people to explain things to me," he admits.

Besides taking on a huge responsibility, Eisner was breaking cultural ground too as the Jewish, city-reared leader of a company that had been an island of Protestantism and small-town ideals. But Eisner fits the family-man role as well as Fred MacMurray played it. Eisner admits that he bought his million-dollar home in Bel Air, Calif., without even seeing the interior, because its

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Economy & Business

main appeal to him was a large yard where his three sons (Breck, now 17, Eric, 14, and Anders, 9) could play sports. At Disney, the staff welcomed Eisner as though he had been born for the job. "Michael really has a feel for Disney," says Valerie Oberle, director of Orlando's Disney University, where new staffers are trained "He is able to move the company forward while still protecting important values."

To speed the process, Eisner immediately began recruiting fresh talent. "I put together people from all different areas, from politics to journalism," he says. Even so, Eisner tried to avoid pitting the hot-shot newcomers against the old Disney hands. "I'm a child of the corporate struggle. I spent many years dealing with people trying to do me in," he says. "I determined that any operation I ran would be as nonpolitical as I could make it."

Since the Disney department in particular need of help was its movie and TV studios, Eisner's most important recruit was his protege Jeffrey Katzenberg, head of production at Paramount. Maniacally driven, Katzenberg, now 37, was the ideal candidate to jump-start the studio by sheer hustle and the hundreds of two-minute phone calls he makes every week to producers, performers and Hollywood insiders. (His half-serious advice to underlings at Paramount had been "If you don't come in on Saturday, don't bother coming in on Sunday.") Katzenberg's zeal for efficiency is the stuff of Hollywood legend; wags say he and his wife deliberately had twins in order to save time. Says he: "I am very focused about setting goals and achieving them. From absolute minutiae to moving mountains."

The new Disnoids, as Katzenberg dubbed his crew, developed a distinct operating philosophy: no big budgets, no prima donnas. Says Katzenberg: "We watch every single solitary nickel." For Touchstone's first project under the new team, *Down and Out in Beverly Hills*, Katzenberg rounded up an ensemble of actors who were struggling far below the superstar pay scale at the time: Bette Midler, Richard Dreyfuss and Nick Nolte. The film, made for only \$13 million, took in \$62 million at U.S. box offices.

In a return to the old studio system, Disney essentially formed an in-house troupe of actors and directors by signing them up for multipicture deals. Midler went on to star in *Ruthless People* (revenues: \$72 million) and *Outrageous Fortune* (\$53 million). Dreyfuss appeared again in *Steakout* (\$66 million) and *Tim Men* (\$26 million). Robin Williams, who had made two bombs at other studios, hit big with *Good Morning, Vietnam*. Says he: "Jeffrey [Katzenberg] picks people in neutral, stalled between phases, and tries to find the right vehicle for them. There's a joke going around that he hangs out outside the Betty Ford Center." But besides recruiting the down-and-out, Katzenberg lures established stars by offering them Hollywood's big opportunity: to direct or



Jeffrey Katzenberg may be Hollywood's hottest mogul. Once called the "golden retriever" for his ability to get things done, he has taken Disney's film studio to the top in four years



Three Men and a Baby



Big Business

help produce their own pictures. Earlier this month, Disney signed TV Funnyman David Letterman to a multipicture contract as both an actor and producer.

Disney prefers to put together its own film projects, rather than buying packaged deals from agents at high markups. After picking a story, the Disnoids go bar-gaining hunting for the rest of the pieces. Suddenly chic, Disney now uses its prestige instead of its poverty as an excuse for eliciting better deals. Says Richard Frank, Katzenberg's No. 2 man: "We have the money, but we won't pay retail." The average Disney film during 1987 cost about \$12 million to make, in contrast to Hollywood's \$16.5 million average. Fully 22 of the 23 films made and released by the new Disney management have turned a profit, far better than the industry ratio of about 3 in 10.

Thanks to its recent blockbusters, the company has for the moment surpassed archrival Paramount as the No. 1 grossing studio in Hollywood. Only three years ago, Disney ranked ninth. Even though the studio could easily slip from its dizzying new position, Disney's hot streak has made it Hollywood's most closely watched force. The company plans to release 15 features this year, up from ten in 1986. Among them: *Big Business*, a comedy pairing Bette Midler and Lily Tomlin, and *Cocktail*, in which Tom Cruise plays a cocky young bartender.

While Touchstone's success boosts the company's profits and morale, just as valuable for Disney in the long run are new animated features whose characters can inspire fresh theme-park attractions and licensed products. Disney has high hopes for this summer's combination live-action and animated feature, *Who Framed Roger Rabbit?*, the story of Rog-

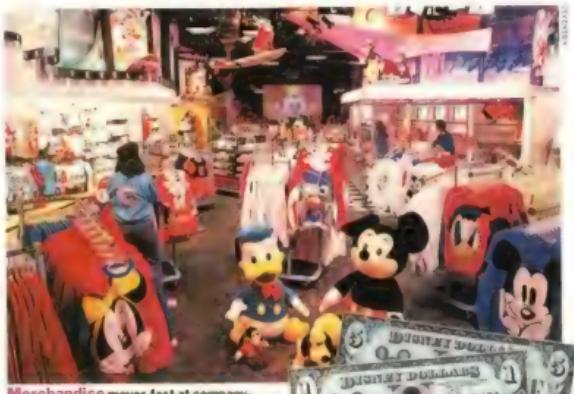
er's search for the culprit who set him up for a murder rap. Even with Steven Spielberg producing it, the film is a major gamble. Its cost is rumored to be \$38 million or more, which has inspired ominous comparisons with *Howard the Duck*, a notorious \$35 million quackster made by Universal. Says a Hollywood insider: "I've seen a few minutes of *Roger Rabbit* and can tell you for sure that it's not *Howard the Duck*. It's unique and should be very successful. But when you're out that kind of money, it's hard to sleep at night."

November brings *Oliver and Company*, a dog-and-cat, *Oliver Twist*-inspired musical set in New York City. The animals speak with the voices of such stars as Billy Joel, who plays a jiving artful dodger (sample line: "Consider it a free lesson in street savoir faire from New York's coolest quadruped"), and Cheech Marin, who plays a Chihuahua named Tito. Says George Scribner, the film's director: "We don't write down to children. They're generally way ahead of you."

Only a few years ago, Disney's animation department had been almost totally neglected. But now the upbeat morale in the section is as palpable as the aroma of popcorn coming from the popper in the lobby. Disney employs an animation staff of 261, up from 184 four years ago. Says Roy Disney, who serves as chief of animation: "We hired a lot of young, inexperienced people in the early 1980s and did a lot of on-the-job training. I'd say that two-thirds of all the really talented people in the field are here." Despite the help of computers, animation is still a highly labor-intensive job. *Oliver and Company* will be composed of 2 million individual drawings.

The animators have plenty on their drawing boards besides feature films. Disney's *DuckTales*, the daily adventures of Scrooge McDuck and his grandnephews Huey, Dewey and Louie, is TV's No. 1

Economy & Business



Merchandise moves fast at company-owned stores like this one in Costa Mesa, Calif., where Disneyana ranges from jewelry to software. Want souvenir cash? Clerks will give change in Disney Dollars

syndicated cartoon show, *Gummi Bears*, a Saturday-morning program on NBC, was largely Eisner's idea, based on a son's fondness for the rubbery candy animals.

Yet Disney has been unable to match that success during network prime time. Though the Emmy-winning comedy *The Golden Girls* ranks No. 6, Disney has flubbed such efforts as *The Ellen Burstyn Show* and *Side Kicks*. But Disney is nothing if not persistent: its next offering, to start on CBS in the fall, is *The Dictator*, a sitcom about a deposed political强人 who sets up shop in a New York Laundromat.

Disney is becoming a video powerhouse, thanks to almost six decades of material in its library, its increasing production and an expanding number of outlets. The Disney Channel is the fastest-growing pay-television service in the U.S., going from 720,000 subscribers to 4 million in just four years. Besides traditional fare like *Sleeping Beauty*, the channel has offered programs ranging from the fitness session *Mousercise* to the *College Bowl* quiz show. Disney's archives have helped its home-video division increase sales from \$55 million in 1983 to \$175 million last year. *Lady and the Tramp*, released last Christmas, quickly became the best-selling videocassette of all time, passing the 3 million mark.

Despite the studio's roaring return, Disney's theme parks still constitute the bulk of the company's business: 62% of sales and 70% of operating earnings during fiscal 1987. One reason is that the company has raised ticket fees dramatically over the past four years, sending the cost of one-day passes for adults from \$18 to \$28 at Florida's Disney World and from \$14 to \$21.50 at California's

Disneyland. Attendance boomed anyway, pushing revenues to the sky.

While traffic at the parks was robust, new attractions were needed to lure repeat customers. When Eisner and company took over, some rides were growing corny with age, especially in the Tomorrowland section of the parks, as real-life events were surpassing Disney's futurism says Eisner: "The park has to be extremely contemporary. If it's not, the kids won't think it's a rad place to be. If it's not innovative, then intelligent people will be bored or go somewhere else."

Yet the famed Walt Disney Imagineering group, a department of artists and engineers that Walt first assembled in 1952 to build Disneyland, had been sharply cut back before Eisner came aboard. He promptly revived the Imagineers, but with a difference. The group began to collaborate with the hottest show-business talent available, a strategy that enabled Disney to give its theme parks an immediate injection of Hollywood hipness. Enter Michael Jackson, who was recruited by Eisner to help write and star in *Captain EO*, a 17-minute, \$17 million movie musical in 3-D. Even more spectacular is Star Tours, a \$32 million thrill ride that opened in January 1987 at Disneyland. The ride employs the technology of flight simulators, the devices used for training pilots and astronauts. Hydraulically powered, the StarSpeeder 3000 cabin shakes, rattles and rolls its 40 passengers at angles up to 35° as they watch a 4½-minute spaceflight film by *Star Wars* Creator George Lucas.

More pixilation is on the way. At Disneyland, stonemasons are now building the facade for the \$35 million Splash Mountain, in which passengers will ride

replicas of hollowed-out logs down huge slides and through tableaus populated by 101 robotic characters like Br'er Rabbit from Disney's 1946 film *Song of the South*. "We can control how much the passengers get wet, depending on the time of year," Eisner points out mischievously.

The plans are even grander at Disney World, where the company owns 47 sq. mi. of land. Earthmovers are clearing the way for Typhoon Lagoon, a 50-acre water park where visitors will be able to slide down 95-ft. mountain, surf on 6-ft. waves and snorkel in pools filled with tropical fish. Opening this fall is the Pleasure Island night-life park, complete with rollercoaster, comedy warehouse, teen video club and jazz saloon. Eisner hopes customers will not remember too well the *Pinocchio* story, in which visitors to a place called Pleasure Island were turned into donkeys.

Since 80% of the Florida park's 26 million annual visitors live outside the state (in contrast to 50% of Disneyland's 12 million), the company is aggressively building hotels to capture the business of guests who previously lodged outside the park. In January, Disney announced plans for a \$375 million twin-hotel complex designed by Architect Michael Graves, a postmodernist who has playfully topped one building with two five-story-tall dolphin sculptures and another with two four-story swans. Eisner, who wants Disney to become known for its architecture, says grandly, "They're going to be important monuments in this country."

The expansive Disney is inevitably starting to step on the toes of other companies. In a joint venture with MGM, Disney is building a \$400 million television-and-film studio in Orlando that will start offering tours in 1989. This brings Disney into sharp confrontation with archrival MCA, which operates Universal Studios Tour in suburban Los Angeles and is building a similar park in Florida. At one point, the growing corporate rivalry prompted MCA President Sidney Sheinberg to deride Disney's boss publicly as a "ravenous rat."

In fact, the whole U.S. is not big enough for the hungry Mickey. Tokyo Disneyland, which attracted 12 million visitors last year, has taken Japan by storm. But Disney's previous management was so cautious about the park's success that it allowed Asian investors to build and own the \$750 million park, while Disney asked only for royalties of 10% on admissions and 5% on food and souvenirs.

Disney will probably reap far greater profits from the \$2 billion Euro Disney land near Paris, scheduled to open in 1992, in which the company will hold at least a 16.7% stake. The park will take shape on the largest undeveloped tract of land in Western Europe, a 4,800-acre stretch of beet and corn fields 20 miles

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Europe's future kingdom takes shape as Imagineers work on a model of the park to be built outside Paris by 1992

east of Paris. Though French artists and intellectuals bemoaned the park as a polluter of their culture, the prospect of more than 30,000 new jobs and a huge splash of tourist spending enabled Disney not only to win the government's approval but extract lucrative concessions as well. Example: a commuter rail line will be extended an extra seven miles from Paris to Euro Disneyland's front gate.

Disney would like to see a mouse on every mantel and a duck in every drawer, and its consumer-products division is coming close. Some 3,000 companies now manufacture 14,000 Disney-licensed products, which sold at retail for more than \$1 billion last year. The division earned profits of \$97.3 million in 1987, up 34% from the previous year. Among the newest items: sound tracks for *Fantasia* and *Snow White* on compact discs, upscale children's clothing, and *Mickey Mouse Magazine*, a quarterly. To move the goods, Disney is finding more outlets. Last year the company launched a catalog that will be mailed to 8 million households this year. The firm hopes to expand its Disney Store chain into a 100-store operation within five years. At the three branches already operating, in California, customers are immersed in audio and visual Disneyana as they browse among Mickey neckties (\$29) and diamond-studded Dumbo brooches (\$3,200). They can take their change in Disney Dollars, a currency accepted at the theme parks.

Does the company risk overplaying its welcome? Can Americans get too much of Mickey? "I thought we'd get tired of this pretty fast, but we haven't overdone yet," declares Douglas Rehnbom, an Orlando engineer who has taken his family to Disney World a dozen or so times. Says Disney's Frank Wells: "We commission focus

groups to determine demand. We want to stop well short of the saturation point with things Disney, not wait for the public to tell us that we've crossed the line."

For Wells, that seems to be part of an unwritten job description: to act as the sensible alter ego to the irrepressible Eisner. At Disney, unlike most corporations, is the chairman who comes up with some of the most outlandish schemes, which subordinates must either make happen or give the boss a good reason why not. "We all live in mortal terror that Michael will come up with ten new ideas a day," says Robert Fitzpatrick, president of Euro Disneyland. Eisner once proposed building a skyscraper hotel in the shape of Mickey. But much of the time Eisner is only trying to provoke his subordinates into even better notions. "My primary interest is ideas," says Eisner. "The rest is kind of house-keeping to me. I understand business, but it's the product that has traditionally got me out of economic trouble."

Yet with Eisner at the helm, Disney has not lost its obsessive attention to detail. Eisner aims to impress

Parisians with a fluent opening-day speech at Euro Disneyland four years from now, so he has dusted off a college French textbook and hired a French-speaking limousine driver through a want ad. Walking through Disneyland one Sunday afternoon, he peered at the plastic leaves on the Swiss Family Robinson tree house, noting that they periodically wear out and need to be replaced leaf by leaf at a cost of \$500,000. As his family strolled the park, he and his eldest son Brock stooped to pick up the rare piece of litter that the cleanup crew had somehow missed.

Eisner is no doubt the best-paid

grounds keeper in America. Last year he earned a bonus of nearly \$6 million on top of his \$750,000 salary, based on a formula that takes into account the company's profits. Besides that, Eisner and Wells hold 3.84 million shares of stock and stock options that were given to them as an incentive when they came aboard the struggling company. If they exercised all their options and sold the shares at the current price of \$6, they would net \$160 million between them.

Will success spoil Disney? "I sense a little bit of arrogance because they are doing so well," says a Wall Street analyst who follows the company. But Disney's executives deny smugness as if they were warding off an evil spell. "You always have to believe you're in last place," said Eisner recently as he flew across the country in Disney's leased Gulfstream III jet, looking a bit sheepish about the luxury. "Flying on this kind of plane is exactly what leads to your financial demise," he observed.

The Disney team sees endless possibilities for its empire—a new Disneyland in South America or Asia; a new American theme park based on the workplace, where visitors would watch ice cream, baseball bats and computer chips being made. Muses Roy Disney: "I suspect my father and uncle would be pleased with the direction we're going. The world has changed to the point where they'd probably be doing a lot of the same things." That portends well for the Eisner regime. "I see myself here forever," says Eisner. Inevitably, though, another new crew of Disnoids will be taking over one day, and then the question may be, "What would Michael have done?"

—By Stephen Koepp

Reported by Elaine Dotka/Burbank and Cristina Garcia/Orlando



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Holding Their Banner High

Uncle Walt's corporate heirs build on his dreams in the dark



Disney with his Mouseketeers: another addictive preteen rite of passage



Michael Eisner says he was raised in Manhattan, but he must have meant on Mars. What earthling could claim that he never saw a Disney movie until his mid-20s?

From 1937, when *Snow White and the Seven Dwarfs* premiered, until, say, the mid-'60s, Walt's entertainment edifice was a unique institution—a cathedral of popular culture whose saints were mice and ducks, virgin princesses and lurking sprites, little boys made of wood and little girls lost in wonderland. Virtually every child attended this secular church, took fear and comfort from its doctrines, and finally outgrew it. The achievement of the Walt Disney Co. under Eisner has been to recapture the audience's childhood and extend it into adolescence and beyond. Today customers keep coming back to the movies and theme parks long after they have outgrown short pants.

For most American children of the past half-century, a Disney cartoon feature was the sacred destination of their first trip to the movies. Disney taught kids what a film could be—how it could blend sight and sound into enthralling art, how it could save your soul and scare you to tears. Alone in the dark, awed by images bigger and bolder than any dream, chil-

dren shuddered through a skein of traumas that Walt had devised for them: the outrage of kidnapping (*Pinochino*), the ridicule of deformity (*Dumbo*), the death of a mother (*Bambi*). Long before the '80s scourge of slasher movies, Disney's were the true horror films, offering primal nightmares and blessed release. And the young were their eager victims. When *Snow White* premiered at Radio City Music Hall, the management reportedly had to reupholster the seats because they were so often wet by frightened tots.

Walt Disney was of course more than America's story-spinning uncle; he was the canniest businessman in Hollywood. His credo might have been the Jesuits': Give me a child before he's seven, and he will be mine for life. Once this shaman-showman had seized kids' minds, he could raid their piggy banks. And on that mountain of pennies he could build an empire. His cartoons and feature films sired comic books, toys, hit songs (*Who's Afraid of the Big Bad Wolf?*), *When You Wish upon a Star*, *Zip-A-Dee Doo-Dah* and the ubiquitous Mickey Mouse watch. While other moguls ground out 40 or 50 pictures a year, then consigned them to rot in the vaults, Disney made a few superior films that could be recycled for a new audience of children every seven years. A half-century

ago, he had anticipated the principle of ancillary markets—the spin-off of theatrical releases into sound-track LPs, sequels, pay-cable airings and TV series—that drives the movie industry today.

Then TV arrived, and Walt really revved up his marketing genius. He named his first prime-time series *Disneyland*—a recurrent plug for the Anaheim theme park—and filled it with old cartoons and his avuncular presence. When a *Disneyland* serial about Indian Fighter Davy Crockett stoked a brief frenzy for coonskin caps, the studio quickly snatched the three episodes together and released them as a theatrical feature. Minimal expenditures, more revenue. Then Disney launched an afternoon program, *The Mickey Mouse Club*, which introduced the Mouseketeers, a troupe of child stars who cavorted like stagestruck Cub Scouts and intoned the show's anthem-hymn ("Who's the leader of the club? That's made for you and me? M-I-C! K-E-Y! M-O-U-S-E!"). Disney had invented yet another addictive rite of passage, especially for all those preteen boys who avidly monitored the progress of young womanhood stirring under the Mouseketeer sweater marked ANNETTE.

In 1939, Film Historian Lewis Jacobs saluted Walt Disney as the "virtuoso of the film medium." Twenty years later, this Hollywood Paderewski was playing mostly Muzak. His studio's artistic growth had been stunted, by both the demand for new product in two mediums and the creeping conservatism that afflicts almost any burgeoning corporation. Yet Disney was always a visionary entrepreneur; he still had magic to do. In the 1950s Disney made three business decisions that would sustain his company until the Eisner years. Decades later, they would profoundly affect the movie business.

► In the early '50s, as television usurped film's place as the most pervasive popular art, most movie studios sold TV rights to their pre-1948 films. Disney knew better: he knew his pictures had a shelf life. So he hoarded his booty, doling out the old animated features to movie theaters while airing the cartoon shorts on his own shows. When the pay-cable era finally arrived, the Disney Channel had a vintage supply of no-cost programming—all thanks to Walt's farsightedness.

► In 1959 Disney released *The Shaggy Dog*, the studio's first live-action comedy feature. The film—about a teenager transformed into a talking sheepdog—wasn't much, but it grossed \$9 million on a \$1 million budget (while the more costly animated feature *Sleeping Beauty* was earning only \$5 million on a \$6 million budget). The same elements of domestic

Economy & Business

fantasy, special effects and easy laughs were cloned over and over for Disney hits from *The Love Bug* to *Splash*. Hollywood's future auteurs were watching too. When they grew up they adapted the *Shaggy Dog* comedy-fantasy into one of the '80s' most reliable genres. What is Michael J. Fox's time-traveling De Lorean in *Back to the Future*, after all, but a retooling of Fred MacMurray's airborne Model T in *The Absent-Minded Professor*?

► The most dramatic innovation was the theme park, a spiffy, sanitized version of the old amusement park. Disneyland, and later Walt Disney World, were dazzling essays in salesmanship. The rides (such as Peter Pan's Flight and Snow White's Scary Adventures) promoted the films. The Disney characters strolling through the parks served as free commercials for the Mickey Mouse back scratchers, Goofy bikinis, "Totally Minnie" fashions and Donald Duck notepaper (with the warning READ MY LIPS) on sale in the parks' stores. And in creating roller-coaster rides with a story line, Disney helped shape the course of movie narratives. George Lucas designed the Star Tours ride for Disneyland, and is planning an Indiana Jones attraction, but he is only returning a big favor. Lucas essentially Disney theme-park rides transferred to film. They fit perfectly into the Disney world—a world of high-tech thrills and genteel Americana. A monarchy of make-believe. A Neverland for the whole family.

This Disney land was always a world so rich and rigid that it was ripe for satire. In 1954 Harvey Kurtzman's *Mad* comic book burlesqued the Disney cartoon world, with its talking animals wearing three-fingered gloves, its ducks in sailor suits but no pants, and a mouse named Minnie "with lipstick and eyelashes and a dress with high-heeled shoes: a mouse, ten times bigger than the biggest rat." This was mild stuff compared with a 1967 parody that *Mad* Alumnus Wallace Wood drew for *Realist* magazine. In the cheerfully scabrous "Disneyland Memorial Orgy," Walt's creatures behaved exactly as barnyard and woodland denizens might. Beneath dollar-sign searchlights radiating from the Magic Kingdom's castle, Goofy had his way with Minnie. Dumbo the flying elephant dumped on Donald Duck, the Seven Dwarfs be-smirched Snow White en masse and Tinker Bell performed a striptease for Peter Pan and Jiminy Cricket. Mickey slouched off to one side, shooting heroin.

Walt's corporate scions were suitably

outraged by this, but the worst was still to come. It is one thing to be defamed; it is another to be ignored, as the studio pretty much was after Walt Disney's death in 1966. Most galling of all, other people were working the old Disney wonder, and making it work at the box office. *The Star Wars* trilogy was putting a high-tech spin on the old Disney legerdemain. So brilliantly, were Steven Spielberg's films: *Close Encounters of the Third Kind* used *When You Wish upon a Star* as a theme, and *E.T.* was "Bambi from Outer Space."

In spirit, all these blockbusters—among the top grossers in movie history—were closer to the cartoon classics than the late-'70s Disney product was. Without its founder, the studio floundered, producing modest cartoons, lame sequels and sci-fi thrillers without art or heart. However conscientious Ron Miller ran the shop, he was no match for Lucas and Spielberg. As if by osmosis, these young outsiders had learned the master's lessons of film artistry and audience manipulation. Miller was Disney's son-in-law, but Lucas and Spielberg were Walt's true heirs.

Enter Eisner and Jeffrey Katzenberg, with a plan. The new Disney picture bosses ignored *Star Wars*-type space operas and exploited another familiar format: the

adult comedy. *Down and Out in Beverly Hills*, *Ruthless People* and *Outrageous Fortune* were not the species of fantasy-comedies—the sons of *Son of Flubber*—that Disney had more or less invented and every other studio was copying. The new Disney films had complicated plots crammed with philandering men and bawdy women. They found their antecedents in classic French farce (even as *Three Men and a Baby* is a remake of a French movie in the boulevard-comedy style). These were the rules: go big, move fast: a lotta laughs, a little sex. In tone the comedies were live-action cartoons. And they created, in the stock company of Richard Dreyfuss, Bette Midler and Danny DeVito, human equivalents of Mickey, Minnie and Donald.

They did more, in a commercial sense, than Walt ever achieved. The success of these comedies made Disney a major studio, not just a boutique. But if the product line was more varied than in the old days, Disney still had the most distinctive profile in the business. The films could be spiced with nostalgia (*Tin Men*) or social comment (*Good Morning, Vietnam*) or cop bravado (*Stakeout* and *Shoot to Kill*), but they all shared a surface sophistication

and an invigorating mean streak. These were movies for adults, the missing piece of the studio's audience. Disney movies of the past, like the theme parks, had embraced a limited market: children and their doting parents. Now the company is reaching for urban teenagers and young adults—the whole postnuclear family—and it is grabbing them.

Traditionalists may mourn the loss of old values, the introduction of four-letter words, even the voracious ambition of this new movie conglomerate. But Eisner and Co. are simply, savvily, reflecting their times as Walt Disney defected his. Perhaps today's children, bombarded by TV images of lust, violence, deceit and despair—and that's just on the news—no longer have childhoods. They surely don't have them the way Walt dreamed them and put them on film. The company's new bosses would have died of boredom if they had merely exploited Walt Disney's name and ways. Sure, they could have kept cashing in on the old goodwill for decades, but they couldn't mint innocence.

So they did what was needed to survive and flourish. They turned the cathedral into a mall. There's a multiplex cinema there, and all the films are Disney's. No way a young Michael Eisner could escape them now.

By Richard Corliss



America's story spinner and the canniest businessman in Hollywood

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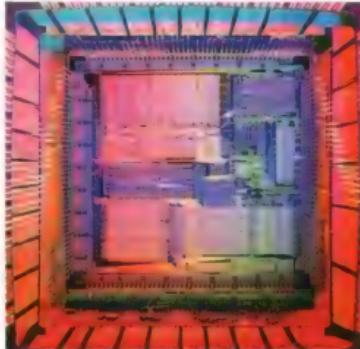
The Next Major Battleground

A new breed of chips challenges 25 years of computer design

Silicon Valley has not seen such a bumper crop since it stopped growing peaches and prunes and began producing computer chips. Hardly a week has gone by this spring without a ballyhooed announcement of a new semiconductor or a line of high-speed computers. At the center of the excitement is a new breed of microprocessors that promises to give computer manufacturers their biggest performance boost in a decade. Lightning fast, the chips make it possible to put the power of ten to 20 refrigerator-size minicomputers into a single desktop-size machine.

Of all the announcements, none has generated as much anticipation as the one to be made this week by Motorola, the largest U.S. supplier of semiconductors (1987 sales: \$6.7 billion). The electronics giant has etched 1.7 million transistors into a three-chip microprocessor called the 88000 that it hopes will become a standard component of the next generation of high-performance computers. Motorola may be right. Even before the new product was formally unveiled, more than 30 prospective customers, including Data General, Convergent and Tektronix, had formed a users group to set guidelines for designing hardware and software to take advantage of the new chips. Says Motorola Vice President Murray Goldman: "This is the next major battleground in the computer world."

How do the new chips achieve their performance breakthroughs? In a word: RISC, for reduced instruction set computer. RISC is not a new technology, but a fresh approach to computing that challenges 25 years of semiconductor design.



Primary processor of the 88000, magnified seven times

It focuses on a computer's most basic commands: the instructions that are embedded, or hard-wired, into the silicon circuitry of the machine's central processing unit. The first computers made do with a handful of primitive commands, such as LOAD, ADD and STORE, which programmers combined to perform complex tasks. Lacking a command to multiply 6 times 5, for example, they had to instruct their computers to add five 6s together.

Over the years, the basic instruction sets grew in length, as miniaturization allowed computer designers to etch more circuits into silicon chips. The most advanced microprocessors began to resemble state-of-the-art calculators that could compute everything from square roots to compound interest at the touch of a button. By the time Digital Equipment intro-

duced its best-selling VAX 11/780 computer in 1977, the machine's instruction set had swelled to 304 commands.

But the increased complexity had its cost. Studies showed that 20% of the instructions were doing 80% of the work. The rest were like expensive extras on a limousine: rarely used luxuries that took up space and slowed performance. The advocates of RISC, declaring that it was time to go back to basics, stripped away the nonessentials and optimized the performance of the 50 or so most frequently used commands. Says Ben Anixter, vice president at Advanced Micro Devices, a Sunnyvale, Calif., firm that is introducing its first RISC chip in two weeks: "It is like going from the complicated old piston airplane engine to the jet engine."

At first, the industry was reluctant to switch to RISC. But the new crop of chips has made believers out of almost everybody. Sun, a company best known for its engineering computers, got into the chip business last summer when it began licensing a RISC processor to AT&T. Unisys and Xerox, MIPS, which introduced its second generation of the chips last month, supplies microprocessors to Tandem, Prime, and Silicon Graphics. Hewlett-Packard has built an entire line of computers around RISC technology.

Most important, IBM is making a major commitment to RISC. IBM Vice President Andrew Heller suggests that RISC technology could produce startling advances in electronic speech recognition, machine vision and artificial intelligence—all of which require superfast microprocessors. Says Heller: "Computers that can listen and talk back, and recognize objects on sight, are not so farfetched. RISC will help make all that a reality, and it's going to happen this century."

—By Philip Elmer-DeWitt.
Reported by Thomas McCarroll/New York and
Edwin M. Reingold/Los Angeles



Reach Out and See Someone

Picture phones have been just around the corner for 30 years. Now they are finally starting to appear in U.S. homes and offices. Since last fall, Mitsubishi Electric of America has sold 64,000 of its new VisiTel units, a \$400 device that looks like a TV with a 4½-in. screen but also has a built-in camera lens and a cord that plugs into a telephone jack. Callers who pose

in front of a VisiTel and push the button marked "send" can swap black-and-white "snapshots" of each other over the phone lines—provided, of course, that the people they are talking to have the machine as well.

Some VisiTels have been sold to law-enforcement agencies, which find them handy for checking mug shots. But most have been snapped up by grandparents, traveling executives and other folks who do not see as much of their loved ones as they would like.



... a "snapshot" down the line

Medicine

Going Overboard on Medical Tests

Often inaccurate, diagnostic aids may be a costly trap

These days, a medical encounter would hardly feel complete to either doctor or patient without a battery of diagnostic tests. The days when doctors' decisions were guided solely by what they heard, saw, felt and thought have gone the way of the house call. With 1.380 tests available, from blood counts to CAT scans to electrocardiograms, some 19 billion were performed last year in the U.S. That means almost 80 tests for every man, woman and child, which surely makes Americans among the most analyzed people on the planet. In recent years, the amount of testing has steadily increased, by 10% to 20% annually. The cost in 1987: more than \$100 billion, or 20% of the nation's bill for health care.

There is a growing sense that the money is ill spent. Critics charge that doctors, through greed, poor judgment, or fear of malpractice suits, are ordering billions of dollars worth of needless tests. Patients are willing accomplices, ever ready to put their faith in what appears to be scientific evidence, despite estimates that 20% of all tests performed are unnecessary. Worse, owing to sloppy laboratory work or doctors' mistakes, the results are too often wrong or misinterpreted; thus they may actually harm patients by failing to detect serious diseases or by indicating illness when none exists.

Error rates vary from one procedure or laboratory to another, but Pap tests and screenings for cholesterol are among those that are most often incorrect. The Federal Government monitors only labs that serve Medicare patients or do interstate business. State laws have been described by one investigator as a hopeless

Fetus Furor

Medical researchers have recently succeeded in treating people with such chronic diseases as diabetes and Parkinson's with transplants of human fetal tissue. So far, doctors in the U.S. have used fetuses only in experimental transplants on laboratory animals suffering from conditions mimicking human ailments. Most such research in

federal labs came to an abrupt halt last week. The Reagan Administration banned the use of intentionally aborted fetal tissue by Government scientists until an outside panel can examine the ethical implications of the practice. Experiments involving tissue obtained from miscarriages can proceed.

The move, applauded by abortion foes, was prompted by a National Institutes of Health proposal to treat Par-



Target of new research ban

patchwork. Some laboratories submit to proficiency reviews in order to be certified by private professional groups, but thousands of other privately run labs are unregulated.

Inspired in part by a series of Pulitzer prizewinning articles that appeared in the *Wall Street Journal* last year.

Congress is investigating medical tests with an eye to improving federal control. Within a few months, lawmakers will consider legislation, recommended by the Centers for Disease Control, to set up uniform proficiency standards for laboratories. At Senate subcommittee hearings on the subject last month, Democratic Senator Carl Levin of Michigan declared, "Faulty lab procedures can have devastating consequences for the unsuspecting."

Tragedies have certainly occurred. Among the most notorious have been cases of women who, despite negative Pap smears, turned out to have cervical cancer. Some have died; others have been forced to have hysterectomies. Had the disease been caught early, minor surgery could have sufficed. Pap smears miss between 20% and 40% of cancerous and precancerous specimens. Most often, the blame is laid on harried technicians who, paid according to the number of samples they process, may scan more than 100 slides a day with few breaks in so-called Pan-mill laboratories.

Other tests are also being botched. A House subcommittee has reported that, in recent proficiency tests, one in ten hospital labs could not measure blood platelets accurately—a relatively simple and frequent procedure used to help measure a patient's ability to form blood clots. The labs also missed 12% of salmonella infections; doctors' office labs were even worse, overlooking 18%. Because of technical errors, cholesterol readings can vary enough to cause confusion about whether treatment is needed. And it can be hard, if not downright impossible, for patients or even their doctors to tell when a lab is making mistakes.

Still other mishaps are due to physicians' ordering the wrong tests or misinterpreting the results. Kansas City Endo-

rium ranged from outrage to cautious endorsement. "A complete ban really blocks the prospects of investigating what could be a promising medical procedure," says Dr. Robert Burke, a neurologist at the Columbia-Presbyterian Medical Center in Manhattan. A better approach, he thinks, would be to allow research in a few supervised institutions to continue while the debate on the ethical issues goes on.

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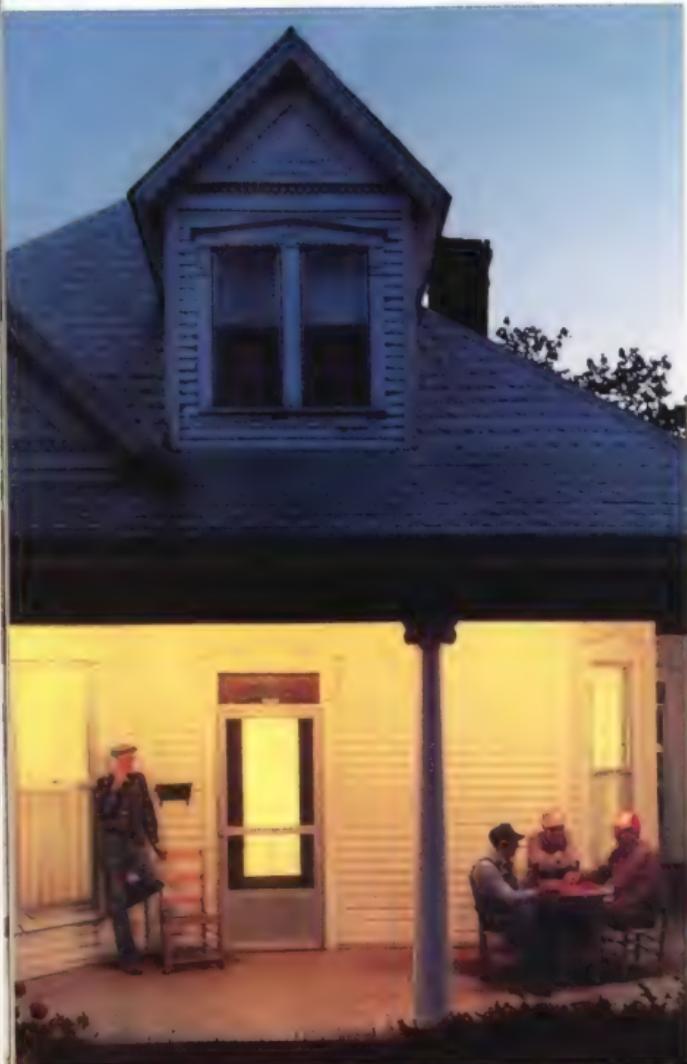
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ocrinologist David Sneid says about once a month he is called upon to treat patients whose doctors have unwittingly prescribed dangerous overdoses of a thyroid medication because the wrong blood test was used to monitor the treatment. In at least one case, says Sneid, the high doses "may actually have shortened the patient's life substantially." Such errors are multiplied by a growing trend among doctors to order more and more tests. Various blood analyses, previously ordered one at a time, are now packaged in blocks of 20 or more. "When you run a lot of tests," says Dr. Michael Alderman, of New York City's Einstein College of Medicine, "the possibilities are higher that one or more will come out wrong."

And tests beget more tests: the doctor may want to repeat the first measurement, or order others, to find out whether something is really wrong. Says Dr. Eleanor Travers, director of pathology for the U.S. Veterans Administration: "The more experience a physician has, the fewer the tests that should be necessary." Even so, an estimated 40% of doctors practice "defensive medicine," ordering tests they know are unnecessary in case of a malpractice suit later.

More disturbing, some doctors may be ordering needless tests in order to turn a profit when they have their own equipment and perform tests in their own offices. More than 190,000 doctors, according to a Senate subcommittee, are doing some in-office testing. Brochures from the manufacturers blatantly appeal to the pocketbook: "In-office testing that helps build a nestegg," reads one, illustrated with a picture of a goose sitting atop a golden egg. Says Uwe Reinhardt, a Princeton political economist who specializes in health care: "Doctors maintain that they are impervious to the profit motive in their medical practice, and I would like to believe that. But one must then wonder why these presumably sophisticated manufacturing companies choose to communicate with doctors primarily through the language and imagery of profits." Most likely to be tempted, he believes, are younger, technology-minded doctors with huge medical school debts to pay off. "They want theirs back," he says.

How can patients protect themselves? Experts offer the usual consumer advice: grill the doctor about each test, ask if the lab is accredited by the Government or a professional group, refuse procedures that seem unneeded and insist on a retest when in doubt. But few people, when ill, are up to bucking their physicians or shopping around for lab tests. Insurance companies have more power. Last year Blue Cross & Blue Shield created new guidelines for common diagnostic tests, which suggested that the plan might eventually refuse to pay for unneeded ones. The ultimate goal: to prevent useless tests from being ordered at all. It is a small, first step in the right direction.

—By Denise Grady.

Reported by Mary Cronin/New York and Glenn Garelik/Washington

Science

A Mouse That Roared

The first U.S. animal patent stirs up a storm in Congress

In biotechnology labs across the country, researchers hailed the decision as long overdue. Last week the U.S. Patent and Trademark Office awarded a patent to Harvard University for the development of a genetically engineered mouse. Although plants and bacteria have been patented for years, the Harvard award was the first ever for an animal. On Capitol Hill, however, angry Congressmen promptly called for a two-year halt to any

the Delaware-based chemical giant.

The problem, say critics, is not with a few altered lab mice, but with the broader commercial applications of gene-transplant technology. Theoretically, any gene could be inserted into any embryo. Scientists, for example, have already produced mice that manufacture human insulin. Until now, such animals have existed only in laboratories, not in the marketplace. Patenting them would change that. Critics are concerned that the potential to make millions of dollars on, say, animal-generated pharmaceuticals will drive biotech companies to produce generations of bizarre creatures whose release into nature could have unforeseen consequences.

To minimize any such risks, two bills currently before Congress call for a moratorium on granting animal patents until the issues can be examined more completely. Farm groups, for example, feel genetically altered livestock could raise production costs, since farmers might have to pay royalty fees to biotech concerns every time their prize livestock give birth. Says Howard Lyman, an analyst for the National Farmer's Union: "This is an economic issue for us."

Others worry about the animals themselves. Yale Lecturer Gul Agha, founder of a watchdog group called the Cambridge Committee for Responsible Research, is concerned about the quality of life for the new breeds. Producing a cow that gives three times as much milk as a normal Guernsey, he notes, could mean producing a cow that lives in acute discomfort. Says he: "We have the prospect of creating animals that may be in continual agony." Others fret that the release of genetically engineered animals, such as fatter mice or more aggressive game fish, might result in ecological disaster.

Proponents argue that awarding animal patents and allowing the commercialization of the field are vital to protecting the American edge in biotechnology. At least ten other countries now permit researchers who genetically alter animals to patent their sentient inventions. "We're being chased day and night by Japan," says Richard Godown, president of the Industrial Biotechnology Association. Animal breeders, he points out, have created and exploited new life forms for years. In Godown's view, the new gene-transfer technology merely represents a more efficient method of animal husbandry. Maybe but now that scientists have created a better mouse, they will have to assure the public that it has little to fear from the technology that spawned it. —By Christine Gorman. Reported by Robert Buderi/Boston and Dick Thompson/Washington



Redesigning life: Geneticist Leder and friends
A chance to study the complexities of cancer.

future animal patents until the risks and benefits can be better assessed. Fumed Republican Senator Mark Hatfield of Oregon: "The Patent Office is playing fast and loose with a serious issue."

The Harvard mouse is certainly not the sort of creature that Dr. Frankenstein would have created. In 1982 Harvard Medical School Geneticists Philip Leder and Timothy Stewart developed a technique for producing mice that were highly susceptible to breast cancer: they modified a naturally occurring gene to make the mice more sensitive to cancer-causing agents, then injected the altered DNA into the embryos. By subjecting the adult mice to carcinogens and studying the malignancies that develop, scientists will have a unique opportunity to analyze the complex interplay between environmental and hereditary origins of cancer—and possibly even produce more sensitive diagnostic tests for human breast cancer. Harvard has granted an exclusive license to produce the patented mice to Du Pont.

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Religion

Listening to the Voices of Women

U.S. bishops grapple with the sin of sexism in the church

Consider these assertions: for centuries "sexist attitudes" have tainted Roman Catholicism. Even today some priests "assume they have the right to dominate women." Nuns feel "alienated"; lesbians speak of the "pain of exclusion." Women are "underrepresented or not represented at all" in church administration. A "significant number" are convinced that becoming priests will be the "only way to attain full participation." Many Catholic women feel that the official teaching against artificial birth control is "oppressive." Some are upset that "the dialogue about abortion appears to be closed."

Sound like a feminist tract? In fact, those observations come from the first draft of a major policy statement on women by American bishops. The 164-page paper, *Partners in the Mystery of Redemption*, was written by a panel of six bishops chaired by Joseph Imesch of Joliet, Ill., with the assistance of five scholars and two staffers—all women. The text was released last week for reactions, after being unanimously approved by the U.S. hierarchy's 50-member administrative board.

Like the bishops' landmark statements on nuclear arms (1983) and economic policy (1986), *Partners* was written after extensive hearings and consultations with experts and interested constituents—in this case, two dozen women's groups and a total of 75,000 women in dioceses and at colleges and military bases. For the first time, however, the text is alive with direct quotes from participants in those often heated discussions. "We wanted the letter to be authentic, not just bishops speaking but women also," explains Chairman Imesch. A sample zinger from Savannah: "I maintain membership in a church that is blatantly sexist." In Fort Worth, women complained that the ban on birth control meant "finding peace of mind only after childbearing years were over or husbands had died."

While remarkable for its diversity of voices, *Partners* stops short of delivering any startling new recommendations. It boldly proclaims that sexism is a "sin" and affirms women's dignity and social equality. But on issues within the church, the bishops tend to acknowledge dissent and then cite Roman traditionalism. They note, for instance, that the Vatican's

1977 case against women priests is not "convincing or persuasive" to some scholars and suggest "further study," even though Pope John Paul wants the issue closed. Nonetheless, the document dutifully recites Rome's official opposition and the reasons for it.

Similarly, the text does not dispute the



Woman distributing Communion at a Boston chapel
Some gentle suggestions, but no startling new recommendations.

papal teaching on birth control but encourages discussion and "compassion towards those who in good conscience" disobey such teaching. Without challenging doctrine, the bishops urge that a greater effort be made to reach out to divorced women who have become isolated from the church and suggest that married women be given a "forum" in which to discuss and clarify traditional sexual teachings.

The bishops do prod the church on some matters, notably the diaconate. Married or single men ordained as "permanent deacons" are now able to perform most of the tasks of a priest except for consecrating the Eucharist and hearing confessions. The bishops draft all but advocates that women be ordained as deacons and urges that a church-wide study of the matter be completed "soon." The paper also recommends that women and girls be regularly assigned to read the Scriptures and assist at the altar. Though this is already routine in many U.S. parishes, Vatican rules state that women should perform these functions only in "extraordinary" cases. The bishops want more women trained to deliver sermons and appointed to important administrative jobs—insofar as canon law allows.

Catholic women are generally in favor of the bishops' efforts. "The process they've gone through is especially significant," remarks Theologian Lisa Sowle Cahill of Boston College. Sister Margaret Nulty of the Leadership Conference of Women Religious says, "More needs to be done, but this is a step in the right direction." But the liberal Women's Ordination Conference expressed frustration. "There was an attempt, but there's no movement," complains Spokeswoman Ruth Fitzpatrick. The Vatican offered no reaction. Oddly enough, few officials there even knew the paper was forthcoming, and none got an advance look at it. The American bishops' strategy, observed an official warily, seems to be to "get items onto the table by quoting them as the views of others." It is just possible that Rome will wish to remove some of those items from the table before the U.S. bishops issue their final document late next year.

—By Richard P. Ostling.

Reported by Michael P. Harris/New York

Curran Events

For two decades Moral Theologian Charles Curran of the Catholic University of America vexed the Vatican with his liberal ideas on birth control, homosexuality, abortion and divorce. In 1986 Rome declared him unfit to teach in the church's name. The university suspended him last year, but a review committee declared that, while the school's trustees could withdraw Curran's "canonical mission" as a church theologian, they must guarantee his tenure. The trustees (one-third of them bishops) agreed last week, announcing that Curran could

teach in an "area of his professional competence," presumably moral theology, but not at the Vatican-chartered graduate theology school. Curran pronounced the decision a " vindication of academic freedom in Catholic education." A senior Vatican official notes that Rome never required the school to "fire" Curran, but officialdom will surely seethe when the maverick resumes teaching at a high-profile Catholic campus.



Theologian Curran

Education

Can Kids Flunk Kindergarten?

Yes, sir—especially where the law mandates tests for first grade

As the crisis season for college acceptance climaxed across the country last week, 102,000 Georgia youngsters sat through a multiple-choice test to determine whether they too would qualify for a higher level of education. In a series of sessions totaling 90 minutes, they scribbled their answers. Then they went home, where their families are sweating out the mid-May announcement of whether they would gain admittance—to the first grade.

Yes, first grade. This year Georgia became the first state to require a standardized written exam as part of a "readiness assessment" that determines who passes and who fails kindergarten. Testing of various kinds is prevalent in three-fourths of the other states for evaluating aspiring first-graders. In Minneapolis, for example, kindergartners must answer a set of 56 verbal questions put to them on a one-to-one basis (last year 13% failed). Many Connecticut and Michigan youngsters face similar tests. But only Georgia asks all its tots—in both public and private schools—to sit down, No. 2 pencils in hand, and fill in the blanks.

The exam in use is a pared-down version of the California Achievement Tests. Children are asked to identify shapes, numbers and objects and solve rudimentary math problems ("Sam is the tenth person in line. How many people are in front of him?"). "It was easy," bragged Jesse Palmer, 6, after taking the exam last week at Tybee Elementary School, near Savannah. "I got every one right." Jo



Chasapy Nixon dutifully fills in the blanks

Is the Georgia exam too much too soon?

Buckley reported that her daughter Candace "thought of it as a game."

Not everyone is so nonchalant. Parents and educators alike have questioned the use of the exam at such a tender age and wondered just what it really measures. In North Carolina such doubts last year led state legislators to alter a law requiring first- and second-graders to take the CAT. "There was a general feeling that testing that early pigeonholed the chil-

dren," explains Lee Monroe, senior education adviser to the Governor.

Child-development specialists point out that it is difficult to assess a small child's mental abilities, because they are constantly evolving. "It's simply a bad time to be testing," says David Elkind, professor of child study at Tufts University. A youngster who cannot recognize a square one week, he notes, may have mastered geometric shapes the next.

The perils of early testing became clear last summer to administrators of the Norwood-Norfolk central school district in New York. A shocking 61% of children hoping to enter kindergarten there failed a standard test for readiness. After they were consigned to a special two-year kindergarten, a study showed that the test had a 50% margin of error.

Still, there is little question that some sort of evaluation is needed for youngsters in any grade. "The big value is identifying kids who need help," says Ken Rustad, of the Minneapolis school district, where children who "fail" kindergarten are placed in transitional classes. Defenders of the Georgia test policy point out that the CAT is not the only tool used to determine who passes and who stays behind: the kindergarten teachers' recommendations are given equal weight. Edward F. Zigler, Sterling Professor of Psychology at Yale, nonetheless worries about the lasting impact of flunking a formalized test: "If a child at five is given the message that he or she is a failure, a self-fulfilling prophecy may be perpetrated." And he offers what many colleagues may regard as a final word on the matter: "Kindergarten should be structured so that no child can fail."

—By Ezra Bowen

Reported by Joelle Attinger/New York and Don Winbush/Atlanta

Milestones

BORN. To **Robert F. Kennedy Jr.**, 34, and his wife **Emily**: their second child, a daughter, in Mount Kisco, N.Y. Name: Kathleen Alexandra. Weight: 7 lbs. 9 oz. The baby is the tenth grandchild of the late Senator Robert F. Kennedy.

RELEASED. **Licio Gelli**, 68, financier and former head of Italy's outlawed P2 Masonic Lodge: on "provisional liberty" because of a serious heart condition; in Parma, Italy. Convicted last December of financing terrorist activity, Gelli was involved in the collapse of the Banco Ambrosiano, and was believed to be behind the 1980 bombing of the Bologna train station that killed 85 people.

RETired. **Yoshihiro Tokugawa**, 81, after 51 years as a trusted retainer to Emperor Hirohito of Japan. A throwback to the pre-World War II period, Tokugawa is remembered for his defiance of fanatical

army officers who barged into the palace to prevent the surrender announcement. As court chamberlain, he managed to hide the disks on which the Emperor had recorded his message: the statement was subsequently broadcast to the world at noon on Aug. 15, 1945.

DIED. **Brook Benton**, 56, velvet-voiced baritone balladeer and composer: of pneumonia; in New York City. The onetime South Carolina gospel singer wrote more than 350 songs, including *Thank You Pretty Baby*, *Endlessly* and *A Rainy Night in Georgia*. He also composed for Dinah Washington and Nat King Cole.

DIED. **John Stonehouse**, 62, former British Cabinet minister, financier and fugitive: after a heart attack; in Southampton, England. From 1967 to 1970, Stonehouse held several posts in Prime Minister Harold Wilson's Labor government, includ-

ing Minister of Aviation. In 1974, with his business affairs in disarray, he faked his own death and fled to Australia, where he took on a new identity. Arrested a month later, he was extradited to England and sentenced to seven years in prison for fraud, theft and forgery.

DIED. **Francesco A. Giannino**, 85, influential industrial designer: of kidney failure, in Danbury, Conn. The Sicilian-born Giannino, a specialist in packaging, created such American icons as Elsie the Borden cow, the Marlboro flip-top cigarette box and the blazing orange rooftops of Howard Johnson's restaurants.

DIED. **Camilla Rava**, 98, a founder of Italy's Communist Party and fiery champion of women's rights; in Rome. The first woman elected to the Italian Senate, Rava was named Senator for Life in 1982 by President Sandro Pertini.

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—Arthur Ashe

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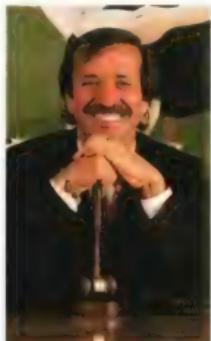
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People



Life in the wild: Beard relaxes with one of his swinish companions at Hog Ranch, his private reserve in Kenya

As the ex-husband of **Cheryl Tiegs** and the discoverer of Model **Iman**, **Peter Beard** must be the person least likely to rhapsodize over the elusive beauty of warthogs. But Beard appears to have gone warthog wild. "They're much more intelligent than anyone imagines," says the celebrated fashion and wildlife photographer, who nuzzles and feeds the pigs as they wander through Hog Ranch, his 45-acre reserve in Kenya. Warthogs and other beasts are the stuff of *With Peter Beard in Africa*, his video exposition on life as an haul conservationist, airing April 21 on ABC. The work has its dangers. In one near fatal incident, a rhinoceros flips one of Beard's friends skyward after impaling him through the hip. It was, said Beard laconically, a "moment of bad luck."



Mayor Bono: no coattails

At least no one can accuse him of trying to ride a coattail into public office. At the Oscar awards, the **Bob Mackie** creation worn by Best Actress **Cher** was barely discernible, let alone rideable. But that did not deter her ex-husband and partner **Sonny Bono** in his bid to become mayor of Palm Springs, Calif. The very day after Cher picked up her prize, Bono took his—by a landslide. The actor-restaurant owner thus becomes the country's latest celebrity mayor just as **Clint Eastwood** leaves office in Carmel, Calif. Throughout his \$50,000 campaign for the \$15,000-a-year job, Bono had, in fact, to overcome his image as "straight man for Cher." But after victory, his son proclaimed, "I think it's amazing that, in a totally different way, it's the Sonny and Cher show again." He's got somethin' too, babe.

Help! Someone's put a hex on Claire Huxtable of *The Cosby Show*. **Phylicia Rashad**, who plays America's favorite mom, has become—a witch! With the show on hiatus, Rashad last week lighted out for Broadway to replace **Bernadette Peters** as the Witch in **Stephen Sondheim's** fairy tale *Into the Woods*. The actress is enchanted. "A Sondheim musical is the answer to every woman's prayers," said Rashad. She could have done worse than become a witch. Once upon a time **Bill**

Cosby took a break from the series, starred in the Hollywood flop *Leonard: Part 6*—and promptly became a turkey.

In the ads for one of the 23 posh hotels her husband owns, **Leona Helmsley** is often referred

worth of renovations at their Greenwich, Conn., estate, including a \$1 million swimming-pool enclosure. The accusations, said their lawyer, are "unfounded, unfair and unjust." They do have the sniff of these majestes.



Bewitched: Rashad takes a walk into the Woods

to as "the Queen," as in "The Queen stands guard." Last week the self-proclaimed royal and her spouse **Harry** found themselves under guard in a less than imperial court. "Not guilty," the couple pleaded in unison to the 188 counts of tax evasion and fraud filed against them in a New York court. The government charges that the Helmsleys, who control more than \$1.4 billion in property, had illegally deducted as business expenses \$4 million

worth of renovations at their Greenwich, Conn., estate, including a \$1 million swimming-pool enclosure. The accusations, said their lawyer, are "unfounded, unfair and unjust." They do have the sniff of these majestes.

What do Jacqueline Onassis, Elizabeth Taylor and Frank Sinatra have in common, besides moola, glitz and pointy shoes? As any gossip knows, they have been subjects of tell-all-and-more biographies by **Kitty Kelley**. Now the diva of the unauthorised tale is working on a distinctly unofficial bio of **Nancy Reagan**. Though the First Lady has ordered her friends not to talk, Kelley has already conducted three dozen interviews. "People in the White House, people who knew Nancy back in Sacramento, even people who knew her in the Junior League." At a recent Washington lunch, boasts Kelley, she picked up a "positively explosive" presidential anecdote. But the hunter has also become the hunted. Journalist **George Carpoli** is dishing up a volume called, unflatteringly, *Bimbo: The Kitty Kelley Story*, which he describes as a "book that will make Liz Taylor smile, and Sinatra sing many a song of glee." —By Howard G. Chus-Egan. Reported by David E. Thigpen/News York, with other bureaus

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Living

A Rousing No to Mini-pulation

American women send designers back to the drawing board

The fall fashion collections shown last week in New York City had a reassuring, familiar look: lots of clean-cut classics, long on style, short on thrill. But for a sagging, badly scared industry, that was headline news. What set Seventh Avenue cheering was the skirt that wasn't there, the mini, last year's sexy shocker.

Not since the midi-length fiasco nearly 20 years ago has there been such miscalcu-

"Can you imagine me sitting down to interview the First Lady in a skirt hiked up over my thighs?" Barbara Sigmund, 48, mayor of Princeton, N.J., puts it best of all: "Could Lee Iacocca have bailed out Chrysler wearing short pants?"

Designers got the message the hard way. Those urban ranks of briefcase-toting women in their boxy suits and string ties really did mean business. "For the

perhaps a small hike at the hem. This summer very short lengths will continue to be seen. But for fall, when most women make their serious purchases, skimpy skirts seem a poor bet. In addition to the rebuff on principle, women shunned the mini for economic reasons. "Especially since the October crash, people are more cautious," says Karen Guthrie, 30, a title-insurance company manager in Los Angeles. "Now even yuppies have budgets." In a fit of fashion passion, Susan Rockford, 40, a Manhattan attorney, plunked down \$1,000 for a sexy little suit but soon recovered. "It could go out of style in six months," she sighs. "I returned it."



Out: Ellis minisuit

In the safety zone: Calvin Klein's above-the-knee yellow dress and mid-calf checked suit

lation by designers and manufacturers. Perhaps they were bored, spoiling for a chance to make a dramatic statement. Perhaps they misread the trend over the past two or three years to raise hemlines slightly, to somewhere around the knee.

What is absolutely certain is that they ignored the needs and opinions of the most powerful new force in the marketplace: the professional woman, who is just as ambitious and conservative as her male counterpart—and competitor. "I have worked very hard to reach a point where I am taken seriously in the business community," says Jean Brooks, senior vice president of a Los Angeles advertising firm. "A short, short skirt is not going to help that." Asks Andrea Mitchell, White House correspondent for NBC News:

first time, working women have voted with their pocketbooks," says Alan Millstein, publisher of the *Fashion Network Report*, an industry newsletter. "No serious executive female wants to look like Tina Turner when she goes to work." Millstein is among several commentators who point the finger at *Women's Wear Daily* Editorial Director John Fairchild, perhaps the most powerful voice in American fashion, especially among buyers, for pushing the short length too hard. Ordinarily a fast, feisty man with an opinion, Fairchild was not talking last week.

Rejecting the mini and not knowing what to invest in, many women just wore their wardrobes for another season—with

daytime wear," says Neal Fox, president of the Washington-area Garfinkel's stores. Abandoned skirts at hefty reductions off the original price twirl idly on sales racks at Manhattan's Saks Fifth Avenue. According to Millstein, the industry lost billions in markdowns. U.S. Commerce Department figures indicate that sales of women's clothes in February dropped 3.6% from the year before.

There is plenty of blame to go around. Designers are chastising the media for emphasizing the miniskirts in last year's collections. Runway lengths, they insist, were shorter than what appeared in stores; most of the skirts shipped to retailers were at or slightly above the knee. Buyers are snap-

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ping at the creative folks. Says Patty Casper, a manufacturers' representative at the Atlanta Apparel Mart: "I could have told the designers that women were not going to go for these short skirts. Women are just not going to be pushed into a fashion corner anymore."

The big question, though, is as old as time: What do women really want? Right now, a strong panic factor and the absence of truly innovative fashion are combining to make them extremely wary. Seventh Avenue may have learned what they won't stand for, but the industry is going to just about every length in order to soothe disgruntled shoppers. Still, there is one clear signal: A definite "safety zone" exists for length, from a couple of inches above the knee to mid-calf. Calvin Klein, in an easy, elegant collection, said it well last week for both sides. Some outfits, including a classic dress in pollen yellow, were delicately above the knee; others, like a bracing houndstooth-cheek wool suit, were well below it. Donna Karan is playing it even safer, showing 50-50, above and below. Not much leadership there.

What many designers and buyers are hoping is that American women will fall in love with pants—once again. Carolina Herrera, for instance, turned out a severe navy chalk-stripe pantsuit that would knock 'em dead in any boardroom.

But pants have always had detractors because they are hard to fit to the female body. Says Caroline Reynolds Milbank,

author of *Couture*: "How you look from behind is pivotal with pants. You have to have a very good figure in order to wear Armani pants to a business meeting and not look funny." Perhaps to whet the customer's appetite, Perry Ellis and others offered graceful, billowy trousers, but these are really sophisticated play clothes. Of course, some smart dressers, like Tina Brown, editor in chief of *Vanity Fair*, won't have a problem selecting from the options. She follows a fashion

royal's example. "I wear my dresses where they have always been," says Brown. "Like the Duchess of Windsor, at the knee."

American designers have provided a number of options for this fall, and it may be that wisdom lies in that direction. Whatever a woman decides to wear, the choice is clearly hers. Veteran Designer Bill Blass, who has seen just about every length over the years, believes the late '80s woman is no longer fashion's slave and has assumed the role of dictator. Long may she reign!

—By Anastasia Toufexis

Reported by Elizabeth L. Bland/Los Angeles and Joanne McDowell/New York



Play pants by Ellis

Cinema



Too much time, too little money: Miles and Dance take a stroll

Way Out in Africa

WHITE MISCHIEF Directed by Michael Radford
Screenplay by Michael Radford and Jonathan Gems

The characters in *White Mischief* behave as if they were suffering from a slight but unshakable fever. In some victims the chief symptom is a languid indifference to conventional morality. In others the illness manifests itself in a restless pursuit of the usual home remedies for boredom: drugs, alcohol and, of course, outrageous sex. You could blame this malaise on Kenya's equatorial weather—bound to have a curious effect on the dark blue blood of English aristocrats. More likely, though, the idle colonial social climate, circa 1940-41, is doing them in. With too much time on their hands, and not enough money in their purses, these stranded idlers have to fill the endless days and nights on the cheap.

Besides, in the 20 years between the World Wars, decadence had become something of a tradition in these parts, as James Fox made clear in the soberly investigative 1983 book from which this deliriously erotic movie has been adapted. The author set out to investigate the murder, never officially solved, of Josslyn Hay, 22nd Earl of Erroll, Kenya's most notorious womanizer (played in the film by a subtly predatory Charles Dance). Fox concluded that the murderer was Sir John Henry ("Jock") Delves Broughton (Joss Ackland), a man phlegmatically devoted to squandering a fortune. Broughton's motive was jealousy. It seems that Diana, his beautiful young wife (Greta Scacchi, who projects a movie rarity, authentic sensuality), had married him mostly to hurry him along through the rest of his capital, and had been openly carrying on with Erroll.

Director Michael Radford is clearly less interested in restating this conclusion than he is in re-creating the crime's steaming social context. One noble lady (Sarah Miles) is introduced wearing a very large snake coiled chummily about her neck. Later she will commit a sexual act that may be unprecedented in general-release movies. Another titled woman (Jacqueline Pearce) will rise naked from her bath to lead her assembled guests—of both sexes—in a genial discussion of who will accompany her to bed. A rancher (the late Trevor Howard, in his last role) has cut a peephole in his closet so he can spy on women using his guest bathroom. While Broughton is awaiting trial for murder, this same fellow visits him bearing a fine gift box of chocolates in which he has thoughtfully tucked a drug-filled syringe.

This colorful crew is self-satirizing. Any moralizing comment on their behavior would be superfluous. As for the central triangle (a cad, a cuckold and a tin-hearted tart deluded into thinking she has at last found a grand passion), it is too banal to awaken much emotion. Nor is there any point in using these figures from a remote society for social criticism. No, Radford has done the right thing with his material by observing the exaggerated tonalities of glamour-trash fiction. As a result, *White Mischief* plays as something a lot of people claim to have been missing for years: a good-bad movie. It will shock some of the innocent, titillate others and amuse the sophisticated who will not be wrong if they detect a certain gleam—probably wicked, possibly cynical—in the director's eye.

—By Richard Schickel



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Love and Respect, Hollywood-Style

Bernardo Bertolucci's *China* epic sweeps the Oscars

Give a man an Oscar, and he turns into Sally Field. He may be a European intellectual full of skeptical opinions about the cultural imperialism of American movies. His film may have been snubbed by several Hollywood studios and mishandled by the company that finally distributed it. But hand him a gold-plated statuette in front of a billion people, and he finds heroic resources of good feeling. Just ask Bernardo Bertolucci. "It's incredible," the Italian filmmaker, 47, geysered the day after his *The Last Emperor* swept the Oscar ceremony. "First it was one award, then two, three, four, five, six-seven-eight-nine! It went beyond the individuals who won. I realized it was the movie itself. The movie was loved!"

Were the Oscar voters telling *The Last Emperor*'s director that they loved the movie, they really loved it? Surely there were waves of affection breaking over the winners of the acting prizes: Cher (*Moonstruck*), Michael Douglas (*Wall Street*), Sean Connery (*The Untouchables*) and Olympia Dukakis (*Moonstruck*). But *The Last Emperor*, with its stern, sumptuous sprawl, more likely earned a decorous, distanced respect in a slim year. The other nominees for Best Picture were three comedies and one high-tech yuppie horror movie—not the Academy's favorite genres. By contrast, Bertolucci's true-life fable of Aisin-Gioro Pu Yi, China's last monarch, had all the familiar Academy-epic goods. It rips turbulent drama from the back pages of a high school history book. It serves up an opulent visual sensibility amid exotic locales. And it concludes with a humanism that affirms both continuity and change for the family of man. Can't-miss stuff. *Lawrence of Arabia* with a Manchurian accent.

The burghers of Hollywood, however, were not initially impressed. Producer Jeremy Thomas had to raise his \$23.8 million budget independently, while Bertolucci secured precedent-setting rights to film in the Forbidden City. Only after shooting did David Putnam, head of Columbia Pictures, agree to distribute *Emperor* in America. Before the film was released, Putnam resigned under fire, and the new administration has treated its gift horse like a Trojan horse. Even now the film is playing in only 882 North American theaters.

By Hollywood standards, *The Last Emperor* is a supremely daring film. Instead of following the normal emotional trajectory of movie epics—struggle, triumph,



Signor Oscar: "The movie was loved!"

despair, reconciliation—Bertolucci's film runs a slalom course of disillusionment. In worldly or heroic terms, Pu Yi attains nothing. He loses his power, then his title, then his freedom. Nor is Pu Yi personally attractive: he can be both toady and bully. "He's not a sympathetic character," says Screenwriter Mark Pepple, who is Bertolucci's brother-in-law. "I resisted even trying to understand him when I wrote



The director with Richard Yu, who plays Pu Yi at three

The wrenching drama of a child kidnaped into royalty.

the script." But any alert viewer can understand the wrenching dislocation of a child who is virtually kidnaped into royalty, raised by thieving eunuchs and condemned to a sham monarchy in a lifelong series of ever smaller Chinese puzzle boxes. *The Last Emperor* is a metaphor for the prisons we are born in and the prisons we create for ourselves.

European filmmakers often view Hollywood as an artistic Alcatraz where slaves to convention are blinkered from the ferment of the outside world. In the '60s, as a prodigal auteur with the smartest, most restless camera style in the business, Bertolucci was a charter member of the first generation of directors who were bred to break the rules of narrative film. *Before the Revolution* (1964) and *The Conformist* (1970) swooned with infatuation for radical politics and complex storytelling. With *Last Tango in Paris* (1972), Bertolucci looked to have conquered Hollywood on his own terms. Its desperate, soft-core sex and the voluptuous rankness of Marlon Brando's monologues stirred scandal wherever it played. While an Italian court was convicting Bertolucci, Brando and Co-Star Maria Schneider of obscenity, *Tango* was breaking U.S. box-office records for a foreign-language film.

"If New York is the Big Apple," Bertolucci said on Oscar night, "then Hollywood is the Big Nipple." He meant that American movies have nurtured filmmakers worldwide, even those who view it with reservations. The director always had a Hollywood-size appetite for the epic, with *Gone With the Wind* as the main course. His tidiest, loveliest film, *The Spider's Stratagem* (1970), is set in an Italian town called Tara; his most ambitious work, *1900* (1976), is a folk epic spanning 70 years of Italian history—a *Gone With the Wind* gone red. Red ink too: the film, cut from 5½ to 4 hours, sank quickly. It took *The Last Emperor* to reconcile Bertolucci's art and his craftiness, his mandarin aesthetics and his hunger for popular success.

"Bernardo was always in love with Hollywood," notes Production Designer Ferdinando Scarfatti, who worked on *Last Tango* and *Last Emperor*. "But before, it was a love-hate relationship. Now it's a love-love thing." And now it's time for Hollywood's last moguls to love Bertolucci right back. Columbia might begin with a wider American release for the film and follow up the gesture by financing the director's dream project, an adaptation of Dashiell Hammett's novel *Red Harvest*. Surely Bertolucci, among all recent Oscar winners, deserves to see that goldplate turned into box-office gold.

—By Richard Corliss.
Reported by Cathy Booth/Rome and
Elaine Dutka/Los Angeles

Books

A Tale of Time and the River

THE DAY OF CREATION by J.G. Ballard; Farrar, Straus & Giroux; 254 pages; \$17.95

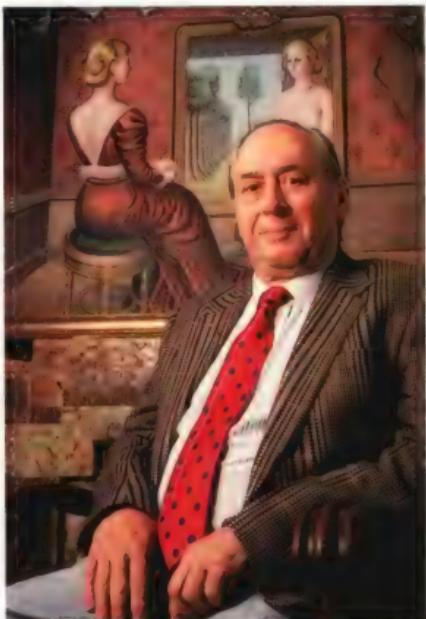
The best place to look for most of J.G. Ballard's 20-odd books is still in the paperback racks displaying science fiction, somewhere between Asimov and Bradbury. But the popular success of Ballard's *Empire of the Sun* (1984), an autobiographical novel about an English boy's coming of age in Shanghai during the World War II Japanese occupation, was followed last year by Steven Spielberg's acclaimed screen adaptation. Thanks to this double-barreled triumph, Ballard has been transformed from a well-kept cult secret into something resembling a household name, with the luxury and burden of knowing that his next book would generate widespread curiosity among a general audience. *The Day of Creation*, his eleventh novel, has finally arrived, and no fans, old or new, are likely to be disappointed.

But few will agree on what they are enjoying. Ballard is a master of hard-edged hallucinations, of improbable scenes so vivid that they enter the subconscious without checking in first at the front desk of reason. Reading him seems like dreaming, and interpretations of meaning tend to be resented as invasions of privacy. So it is here. There is an old-fashioned adventure tale going on, along with a peculiar love story, a mythic quest, a laborious fertility rite and a perilous journey of psychological discovery. And that is only for openers.

Dr. Mallory, the narrator, is an Englishman working for the World Health Organization in the arid northern province of a former French colony "in the dead heart of the African continent, a land as close to nowhere as the planet could provide." The southward creep of the Sahara and the drying up of nearby Lake Kotto have driven most of the native residents away, leaving the physician with hardly anyone to treat but General Harare and his ragtag band of Marxist guerrillas. But these rebel patients do not trust Mallory, because he has conceived a scheme to drill the dry lake bed and tap into a potential third Nile, which will turn the parched land green and fruitful. Such a happy result would bring credit and profit to the government in power, so one morning Harare and his

men take Mallory down to the former lakefront to shoot him. The doctor is saved by the arrival of a plane bearing Captain Kagwa, the provincial police chief, and Professor Sanger, a maker of television documentaries.

Sanger has come to publicize himself



Author Ballard at home in Shepperton, against a surreal backdrop

"We all need to fight off the growing suburbanization of the soul."

giving rice to the starving natives. Mallory replies, "One problem is that the people here don't eat rice ... The second is that there aren't any people." Sanger, whose career is on the skids, responds glumly, "Even my disaster area is a disaster." Then something amazing occurs. A tractor under Mallory's direction tips over the huge stump of an old oak tree, and water begins to bubble up from the cavity below. First a trickle, then a stream. Soon a broad brown current several hundred yards wide spreads itself north and south. Knowing a dramatic photo opportunity when he sees one, Sanger revises his plans

and sets out to videotape the birth of the River Mallory.

By all reasonable standards, the revegetation of a dead land should be cause for rejoicing. But in Ballard's world, reason seldom prevails. The benign flood nourishes the dormant seeds of private manias. Captain Kagwa sees himself as the head of a fertile, secessionist province, controlling access to the "Black Nile" and the route by which sub-Saharan Africa "will move north against the Arab world." The first step is to kick out Mallory, who has overstayed his usefulness. The doctor has another idea. He wants, in a leap of logic illogical, to get to the source of his river and stifle it: "All this water has ruined my irrigation project."

And so the chase is on. Mallory steals a 30-ton car ferry carrying Kagwa's beat-up Mercedes and heads north up the river bearing his name. Along his 200-mile journey, he acquires a confederate in the person of the adolescent girl who had pointed a rifle at him during his near assassination at the hands of General Harare's soldiers. In her dialect she communicates her name as N'oon; she is noon on the day of creation. Mallory also picks up Sanger and a jumble of TV equipment and tapes. The technology dazzles N'oon. She installs herself in front of a flickering monitor. Mallory marvels, "In a few months she had stepped from the Stone Age and crossed from the spoken to the visual realm in a single stride, dispensing with language at the way."

As this ferry of ostensible fools crawls upriver, suffering helicopter attacks from the enraged Kagwa and waiting for the inevitable ambush by Harare, other literary adventures come unavoidably to mind: Conrad's *Heart of Darkness*, Bellow's *Henderson the Rain King*. To its enduring credit, *The Day of Creation* is not swamped by such reminders. Ballard has successfully created a new myth, a late 20th century saga of distracted humans making a lonely voyage through time and the river to the well-spring of their parched imaginations.

At one point, Dr. Mallory mentions "those English suburbs which I had fled, where on a summer's afternoon everyone would sit behind drawn blinds watching a tennis final or a royal wedding." Oddly enough, Mallory's creator has lived in just such a place since 1960: a modest semi-detached house on a quiet street in Shep-

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perton, a village about 20 miles southwest of London. "I cultivate anonymity. I relish it," says Ballard, and Shepperton gives him plenty. Few of his neighbors know his occupation, and Ballard thinks it would make no difference if they did: "Some really famous people have lived around here—TV stars. Tom Jones. Compared with them, a writer is nothing."

Ballard is alone now. After his wife died of pneumonia in 1964, he took on the raising of their son and two daughters by himself. "In fact," he says, "fathers make very good mothers." A house-husband before it became fashionable, the author looks back fondly on the "rich compost" of his domestic life. He also speaks of the "huge vacuum" created when his children grew up and left home. "Nature's contingency plan for this loneliness," he says, laughing, "used to be death."

At 57 the author maintains the same work schedule he has followed for a quarter-century: "I set targets, at least 800 words a day." *The Day of Creation* proved especially challenging and exhausting: "For a year and a half that river was roaring through my head." Ballard believes the novel flowed naturally out of *Empire of the Sun*, from his memories of the "huge riverine world of Shanghai," where he grew up as the son of a chemist employed by a British textile company. Writing about that period in his life "opened a lot of interior doors and windows. I remember Shanghai as a place where anything was possible, where the collective imagination, for good and evil, was allowed full rein. I have spent my whole life as a writer trying to reach and realize that vision."

Indeed, Ballard's vivid, eventful youth accounts for much of the eerie power of his books. He has never considered himself a writer of science fiction but rather an explorer of "inner space." Surface reality interests him chiefly as a starting point for the mind: "I believe in the power of the imagination to remake the world." That power needs to be pitted against Shepperton and its calm environs: "The wave of the future breaks here in the suburbs. This and all places like it are becoming a geography of concrete and credit cards. My fear is that the exercise of the imagination, an intensely private act, may die out. People may live in an eventless world, where nothing new will ever occur."

As a young man, Ballard was drawn to surrealist art and its realistic images of fantasies. He retains this enthusiasm. Using money he earned from *Empire of the Sun*, he commissioned an artist to re-create two paintings by the Belgian Paul Delvaux that had been destroyed in London during the Blitz. One of these large canvases sits in Ballard's front parlor, and the other presides over his workroom, an unsettling tableau of dream maidens and bare breasts in an otherwise comfortable setting. "Sadly," Ballard says, "the only surrealists around these days are psychopaths. But we all need to fight off the growing suburbanization of the soul. I want to see the sane become surrealists."

—By Paul Gray

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Books

Swordplay

ALICE ROOSEVELT LONGWORTH
by Carol Felsenthal
Putnam: 320 pages: \$19.95

Her smile could raise welts, and her dinner-table conversation regularly drew blood, some as blue as her own. She dismissed her cousin Franklin Roosevelt as "two-thirds mush and one-third Eleanor." When Columnist Joseph Alsop, another cousin, attributed grass-roots support to Wendell Willkie, the Republican hope to topple F.D.R. in 1940, she said yes, "the grass roots of 10,000 country clubs." It was she who demolished Thomas E. Dewey, the 1944 G.O.P. candidate, with the gibe that "he looks like the little man on the wedding cake."

Such swordplay was what the world expected of Alice Roosevelt Longworth, Teddy Roosevelt's oldest child, widely described as the "other Washington Monument," who died in 1980 at the age of 96.

Friends saw something more. Near death, she roused herself to reprove a guest for being too polite: "I will not have good manners in my house." But as this fascinating, sharply observed biography makes clear, courage and an edged wit were not Alice Longworth's only strong qualities. She was selfish and intermittently cruel. The ruling event of her life came shortly after her birth, when her young mother died of kidney disease. Her father, then a rising New York State politician, treated the baby with coldness. Two years later, he married an unsympathetic woman named Edith Carow, who took care to let the child know that her mother had been stupid and boring.

The result was notice-me behavior—eating asparagus with her fingers, while wearing gloves, at a White House dinner—and a hardness to anyone who seemed less tough than she. Her shy, awkward daughter Paulina, for example, got little compassion. Alice let it be known that Paulina was the issue of her affair with Senator William Borah, not of her marriage to Speaker of the House Nick Longworth. It is not this home truth that evokes sympathy for Longworth, himself a philanderer and a drunk (as well as a superb amateur violinist), but the fact that he deeply loved the little girl. He died when she was six, however, and Paulina died of a combination of pills and alcohol, presumably a suicide, at 31. Alice lived on alone for another 23 years, toughing it out on good bones and good brains, making jokes for reporters.

By John Skow

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Treating an "In" Malady

Some 10 million Americans suffer from TMJ

Today's "in" maladies have certain common characteristics: controversy over the extent to which the ailment exists; symptoms so variable that diagnosis is difficult; no simple sure cure, so that everyone from surgeons to quacks feels free to offer therapy. And, oh yes, it helps if someone famous suffers from the affliction. Hypoglycemia hit the bill in the 1970s. The '80s have brought two new worries: fatigue syndrome and something known as TMJ, a painful condition that affects the joints of the jaw.

Once dismissed by doctors as "all in the head," TMJ (short for temporomandibular-joint disorder) is now recognized as a genuine problem that plagues an estimated 10 million Americans, most of them women. Its symptoms are so confusing and wide-ranging that dentists, physical therapists, neurologists, psychiatrists, chiropractors, homeopaths, even astrologers, are all in the treatment act. Fittingly, there is a notable victim: Actor Burt Reynolds.

The ailment, as its name suggests, is generally traceable to an impairment of one or both of the temporomandibular joints. These olive-size structures, composed of bone and a cushioning cartilage disk, are located at the points where the jaw meets the skull. TMJ may be triggered by infection, arthritis, a blow to the head, shouting at a football game, even chomping on a bagel. A major contributing factor is emotional stress that leads to teeth clenching or grinding. Excruciating pain radiating through the head and neck, earaches and muscle spasms are the most fre-

quent complaints. Janice Hogan, 36, of New York City, was in such agony that she could not sleep or eat. She lost 50 lbs. and looked, she says, "like a stick with a pair of glasses."

Sufferers routinely endure a medical odyssey before their problem is correctly traced to the troublesome joint. Pam Baird, 46, of Havertown, Pa., had unnecessary root-canal work and was treated for bronchitis and an eye infection. "When I finally learned what I had, it was such a relief that I just sat there and cried," says Baird.

Despite such sagas, experts are concerned that TMJ is being overdiagnosed. "Any vague symptom above the chest has become TMJ," charges Dentist Charles Greene, co-director of Northwestern University's TMJ clinic, one of the dozens devoted to facial and jaw pain that have sprung up nationwide. Greene is especially skeptical of those who attribute such varied complaints as dizziness, loss of hearing and blurred vision to TMJ. Warns Greene: "There are a lot of scams going on."

To diagnose the condition, some dentists are now relying on sophisticated equipment, which includes ultrasound to measure the "noise" of the joint as well as devices that record muscle electrical activity and track jaw motion. Other practitioners, however, believe that much of the high-tech, high-cost gadgetry is unnecessary. No matter how the diagnosis is made, experts usually favor a conservative treatment regimen that includes switching to a softer diet (no steak, chewy



Sufferer Burt Reynolds

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candy or gum, for example); application of warm, moist heat; facial massages and exercises to stretch tight muscles. Aspirin, muscle relaxants, tranquilizers and anti-depressants may be prescribed. Counseling on stress management and relaxation techniques is often a part of the treatment.

Most patients are fitted with acrylic bite plates (about \$600 apiece) to wear while sleeping or during the day. But some patients grind their teeth so furiously that they bite right through the plates. As a last resort, doctors recommend surgery to repair the joint. Until recently that meant a three-hour operation and a two-inch scar running in front of the ear. Now surgeons are increasingly using arthroscopy, a technique originally devised to correct knee damage. They insert the arthroscope, a thin telescopic tube, through an incision in the jaw and use tiny instruments to wash out debris, reposition the disk or cut away scar tissue. The



A dentist manipulates a locked jaw

operation takes about an hour and leaves a mark no larger than a freckle. Propponents believe that the availability of the procedure may increase the percentage of TMJ patients who choose surgery from 10% to as much as 20%.

A few TMJ victims may need more radical interventions, such as completely removing the cartilage disk or implanting an artificial hinge. But many experts wince at some recommendations—for example, capping every tooth in the patient's mouth in order to reconfigure a bad bite. So do TMJ sufferers. Ruth Shapiro, 40, of Los Angeles, demurred when told by an orthodontist that her only hope was to have reconstructive surgery that would involve breaking her jaw. "He said I wasn't even going to look the same," she recalls in horror. Dentists and patients alike hope that such drastic prescriptions will soon disappear. Eventually, they say, temporomandibular joint disorder should be a jawbreaker in name only.

—By Anastasia Toufexis

Reported by Scott Brown/Los Angeles and Janice M. Horowitz/New York

Video



The London studio turned courtroom: Fair hearing or a mockery of the judicial process?

A TV Trial for Waldheim

The Austrian President's past is probed in a controversial inquiry

The gray walls and imitation-marble columns gave the courtroom a properly sober atmosphere. At precisely 2 p.m. last Wednesday, five black-robed judges walked slowly to the podium and brought the proceedings to order. The prosecutor's opening statement set forth an explosive agenda: the alleged complicity of Austrian President Kurt Waldheim in Nazi war crimes during World War II. "I do not represent that he is the hand that holds the smoking pistol," said the attorney. "War crimes were committed by those men whom Waldheim served. But there will be no doubt, I submit, in your minds that Waldheim did more than make coffee for these men. His acts facilitated their crimes."

Thus began what is intended to be the most thorough inquiry so far into Waldheim's wartime record. Yet the "trial" is taking place not in a court but in a TV studio outside London. The defendant will not be present, and the judges' verdict will have no legal standing. The bulk of the proceedings, moreover, are being kept secret until they are shown on television—edited down to a 3½-hour program that will air June 5 in the U.S. on HBO, as well as in Britain and nearly 30 other countries, but not Austria.

The unusual media event may clear up—or simply add to—the controversy surrounding Waldheim's past. But it has already sparked a debate over the propriety of TV's donning judicial robes in an attempt to resolve a matter of international concern. TV has staged mock trials of historical figures, but never before has it focused on a living person—one, moreover, who has not been charged with a crime.

Evidence of Waldheim's wartime ac-

tivities came to light in 1986, when he was running for the Austrian presidency. Newly discovered records showed that during World War II the former U.N. Secretary-General had served on the command staff of a German army group whose units murdered Yugoslav civilians and arranged the deportation of Greek Jews to death camps. Waldheim has admitted to his army service but denies that he knew about or participated in any war crimes. In February a commission of international historians, after studying the evidence, found no proof that Waldheim was guilty of war crimes, but concluded that he had been "excellently informed" about them and did nothing to stop them.

The TV inquiry, launched by Britain's Thames Television in collaboration with HBO, has attempted an even more thorough examination. Twenty-five researchers spent five months combing archives and interrogating witnesses in 19 countries. Their work was arduous and sometimes delicate. One investigator had to listen in silence to a five-hour anti-Jewish tirade from an unrepentant ex-Nazi in order to gain his confidence. Others tracked down a witness in Poland who agreed to meet them only at a gasoline station. Though names are being kept under wraps, 37 witnesses have been flown to London to testify at the nine-day trial. Twelve of them, according to the producers, have never before spoken publicly about the case.

The program's creators stress that it is not a trial but a "commission of inquiry."

intended to determine whether there is enough evidence to warrant bringing charges. Presenting the prosecution case is Allan A. Ryan Jr., once the chief Nazi hunter for the U.S. Justice Department; challenging the evidence is Lord Rawlinson, a former British Attorney-General. The international panel of judges—including Shirley Hufstedler, former U.S. Secretary of Education—will consider five specific charges against Waldheim. The verdict will not be taped until just prior to the show's telecast.

Not surprisingly, Waldheim has refused to cooperate or recognize the trial's validity. Gerold Christian, his official spokesman, dismisses the TV event as a "mock trial with a preconceived outcome and a known bias." That is disputed by the producers, who insist they searched as hard for evidence to exonerate Waldheim as for evidence to implicate him. Among those likely to testify, for example, is Bruce Ogilvie, a former R.A.F. pilot who claims Waldheim helped him escape Nazi execution. "Everyone knows that Waldheim has been accused," says Producer Jack Saltman, "but our program may be the only fair hearing he ever gets."

Yet even some disinterested observers have qualms about the tribunal. "This kind of thing is a mockery of the judicial process," says Quintin Hogg, Lord Hailsham, former Lord High Chancellor of Britain. "It is substituting trial by media for trial by courts." Simon Wiesenthal, the renowned Nazi hunter, also opposes the mock trial. "As soon as the international historians' commission had published its findings," he says, "the case should have become an affair for the Austrian voters only."

At a press conference last week, Presiding Judge Frederick Lawton defended the TV inquiry as an important forum for resolving questions surrounding Waldheim's past. "Unless properly investigated," he noted, "these allegations could distort the historical record." Former Nuremberg Prosecutor Telford Taylor, a consultant for the program, also supports the trial. "I see no reason to apologize for the fact that it is taking place on television," he says. "It's better to get a reasoned debate with jurists about the accumulated evidence than what we've been getting."

Whether the trial will have any impact on the Waldheim case is unclear. But it is sure to fuel concerns about TV's growing penchant for inserting itself into news events. "This is a formula that needs to be treated with the greatest care," admits Producer Saltman. If the Waldheim show is a hit, however, it is a formula that will almost certainly be repeated. —By Richard Zoglin.

Reported by Paul Hofheinz/London and Gertrud Lessing/Vienna



Defendant in absentia

FOLLOW THE LEADER INTO THE FUTURE

**7****7:30 PM**
CROSSFIRE

Buchanan's back against Braden. And they've agreed to disagree. Again. Together, conservative Pat and liberal Tom confront the best and brightest of our newsmakers to the delight of millions of Americans. Buchanan and Braden. A team that's right on target.

8**8PM**
PRIME NEWS

Bernard Shaw in Washington, Mary Alice Williams in New York and Lou Waters in Atlanta anchor this prime-time news-hour. Comprehensive, in-depth and in touch, this critically-acclaimed national report is America's alternative for news that matters.

9**9PM**
LARRY KING LIVE

Experience the face with the voice. America's favorite radio personality hosts the headline-makers on cable's hottest call-in show. Only on cable and only on CNN.

**FOLLOW THE LEADER
WEEKNIGHTS ON**

CNN

THE WORLD'S MOST
IMPORTANT NETWORK

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Difference**

Essay

Alan Paton

A Literary Remembrance

*South African Novelist Alan Paton, author of *Cry, the Beloved Country*, died of cancer last week. The book was an early expression of the developing racial anguish in South Africa and has become an international classic. Earlier this year, TIME had asked him to write an essay about South Africa today. Two days after his death, Paton's widow Anne forwarded the incomplete typescript with a note: "I am very sorry he never finished it, but it was almost done, and during the last few days before he went into the hospital he was just too tired. In any case he could not bring his mind to bear on it because of his illness. He so wanted to give of his best for the article." Paton, it turns out, had written not about South Africa but about more immediate preoccupations: his sense of mortality and his love of words. What follows is Paton's essay, exactly as he left it.*

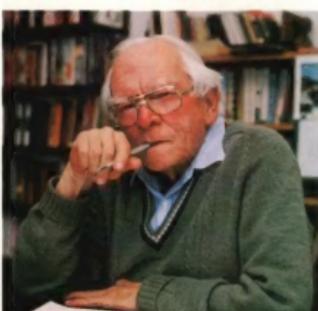
I turned eighty-five in January of this year. What is it like to be eighty-five? One does perhaps feel a little pride—quite unjustified—in having reached such a venerable age. Apart from that, there's nothing to make a song about. Another eighty-five years would be the death of me.

Have I reached eighty-five in good shape? In reasonably good shape, yes. My sight and my hearing are not so good as they used to be. What are my complaints, if I can call them that? I think the greatest handicap for me of being eighty-five is that I have lost my surefootedness. (I am surprised that the Shorter Oxford Dictionary does not have this word, but I was reassured to find it in Webster.) I do not now feel happy walking among the coarse hummocks of a grassy hill. I do not like walking in the dark at all. When I was a young student of seventeen or eighteen, I remember crossing the Umsindus River near Pietermaritzburg on the stepping-stones. I didn't walk, I ran. Today I would fall into the river at the first stone. I have grown very lethargic. I am writing this piece quite easily, but it has taken me a week to bring myself to do it. My creative and literary imagination will never again rise to any great height. I shall never again write such words as these:

The great red hills stand desolate, and the earth has torn away like flesh. The lightning flashes over them, the clouds pour down upon them, the dead streams come to life, full of the red blood of the earth. Down in the valleys women scratch the soil that is left, and the maize hardly reaches the height of a man. They are valleys of old men and old women, of mothers and children. The men are away, the young men and the girls are away. The soil will not keep them anymore.

Nor words like these, written to "A Small Boy Who Died at Diepkloof Reformatory."

*So do I comfort you,
Your frail body to the waiting ground,
Your dust to the dust of the veld.
Fly home-bound soul to the great Judge-President
Who unencumbered by the pressing need
To give society protection, may pass on you
The sentence of the indeterminant compassion.*



The author at home near Durban in 1981

For my continuing love of the word I am indeed grateful. At my present age I can recapture almost perfectly—perhaps totally perfectly—the emotion I felt when I first read certain pieces. I have just read again Whitman's threnody on the death of Abraham Lincoln.

*When lilacs last in the dooryard bloomed,
And the great star early drooped in the western sky in
the night,
I mourned, and yet shall mourn with ever-returning
spring.*

*Ever-returning spring, trinity sure to me you bring,
Lilac blooming perennial and drooping star in the west
And thought of him I love.*

This is one of the most memorable tributes paid by any human being to another, and it is matched by the immortal words of General Jan Christian Smuts, at the graveside of his friend, fellow-soldier and Prime Minister, Louis Botha, in

1919. Smuts said:

We came together with a closeness seldom vouchsafed to friends. This entitles me to call him the greatest, cleanest, sweetest soul of all the land—all of my days.

I would like to have written one of the greatest poems in the English language—William Blake's "Tiger, Tiger Burning Bright," with that verse that asks in the simplest words the question which has troubled the mind of man—both believing and nonbelieving man—for centuries:

*When the stars threw down
their spears
And watered heaven with
their tears,
Did He smile His work to
see?
Did He who made the Lamb
make thee?*

I would have been proud to have written Yeats' "The Fiddler of Dooney," and Francis Thompson's *The Hound of Heaven*. I am profoundly moved by Psalm 139, especially those three verses:

I will praise thee; for I am fearfully and wonderfully made: marvellous are thy works; and that my soul knoweth right well.

*My substance was not hid from thee, when I was made
in secret, and curiously wrought in the lowest parts
of the earth.*

*Thine eyes did see my substance, yet being unperfect;
and in thy book all my members were written,
which in continuance were fashioned, when as yet
there was none of them.*

If I give a public reading, I often choose Vachel Lindsay's "General William Booth Enters into Heaven," which is a poem of its own kind, and has no mate in English literature. The first six stanzas are semiserious, semicomical, but I always read the last stanza with caution, in case my voice should break.

*And when Booth halted by the curb for prayer
He saw his Master through the flag-filled air.
Christ came gently with a robe and crown
For Booth the soldier, while the throng knelt down.
He saw King Jesus. They were face to face.*

*And he knelt a-weeping in that holy place.
Are you washed in the blood of the Lamb?*

When I read this poem in public, I always say a private prayer for Yachel Lindsay, who at the age of fifty-two took his life.

I shall trespass on the editor's hospitality with one more quotation. It is a stanza that I would have been proud to have written, and it states a profound truth about the human condition in the simplest of words. It is taken from *The Rubáiyát* of Omar Khayyám of Naishapur, translated by Edward Fitzgerald.

*The Moving Finger writes; and having writ,
Moves on: nor all your Piety nor Wit
Shall lure it back to cancel half a Line,
Nor all your Tears wash out a Word of it.*

Fitzgerald's *Rubáiyát* was a flop. Its reception must have been a great disappointment to him, for he no doubt felt that he had written one of the most beautiful poems in the English language. It was Swinburne, poking round in an old bookseller's barrow in London, who discovered the poem and knew at once that this was a work of genius. He bought it for twopence, and took it home to devour it, and it overwhelmed him. He brought it to the notice of Tennyson, who after reading it dedicated his *Tiresias* to Fitzgerald's memory. The poem then became famous.

Before I leave the topic of the word, of language and of literature, I want to say something about the spoken word. The best speaker I heard in my life was Reinhold Niebuhr, the American theologian and philosopher. I first heard him at Friends' House, London, in July 1946. He spoke for an hour without notes, and he had us in the hollow of his hand. One of his themes was the potential goodness of individual man, and the potential wickedness of collective man. An individual man could become a saint, but collective man was a tough proposition. He broke the flow of his talk only once, and that was to say to the chairman, "Must I go on speaking under these terrible lights?" Whereupon they were put off.

I had a special soft spot for him because he had said that *Cry, the Beloved Country* was the only Christian novel that he was ever able to read. I heard him again in 1955, at the Jubilee of Kent School, Connecticut. He had had a stroke, and delivered his paper sitting down, hiding his powerless left hand under his right. His audience was deeply affected, for they were witnessing a triumph of mind (or soul) over matter. And the mind was as clear as ever.

Most—perhaps all—of the addresses at the seminar were remarkable. They evoked a rich diversity of emotions from those who heard them, laughter, joy, sorrow, admiration. But it was Niebuhr who evoked the most tremendous response at one moment of his address, and it happened in this manner. This particular incident is not recorded in *Christian Idea of Education* (Yale University Press, 1957), which was published as a record of the seminar, for the simple reason that it was spontaneous and unrehearsed, and did not form part of Niebuhr's script.

He had just spoken these words:

But it is significant that the meaning of historical events has frequently been obscured, not by the real historian but by social scientists who sought abjectly to bring history into the realms of nature and thus deny the characteristically historical aspects of the human scene. In short, our culture has been intent upon equating history with nature at the precise moment when history revealed the dangerous possibilities of human freedom, which were not at all like nature.

Niebuhr felt that this rather difficult argument needed some kind of elaboration, and he proceeded to drop his script for the moment, and to dwell on the dangerous possibilities of freedom in the United States itself, the fact that the American ideal of freedom meant the liberty to choose good and to choose evil, so that high endeavour lived alongside vice and corruption and decadence. He did this with a kind of sombre gravity that certainly subdued his audience, and then inflicted on them a heavy blow by saying fiercely of American society, "It's a mess." We were all silent, feeling that the world was beyond redemption, when—after a pause—he suddenly said to us with equal emphasis, "But I like it." It brought down the house, and we felt that there was hope for the world after all. Niebuhr was for me one of the wisest men of our century, and a man after my own heart.

We had two masters of the spoken word in South Africa, General Smuts and his lieutenant J.H. Hofmeyr, whose life I wrote. Smuts spoke in a high-pitched voice, not the kind of voice that one would expect from a famous soldier, but he too could hold an audience in the hollow of his hand, partly because he was Smuts, partly because he could say nothing trite or shallow, partly because he knew how to speak to ordinary men and women. In 1923 he unveiled the Mountain Club War Memorial at Maclear's Beacon on the summit of Table Mountain. He said:

The Mountain is not merely something eternally sublime. It has a great historical and spiritual meaning for us... From it came the Law, from it came the Gospel in the Sermon on the Mount. We may truly say that the highest religion is the Religion of the Mountain.

His biographer, W.K. Hancock, wrote: "His words touched their hearts."

Hofmeyr was more of an orator than Smuts, and could end his speeches with the most stirring orations. However he was saved from pomposity by two great gifts; the first was his sense of humour, the second was his sense of the apt quotation.

In 1939, when the threat of Hitler and a second World War hung over the world, he spoke to a meeting in Johannesburg on the dangerous times, and quoted to them the words on a tablet in an old English church: "In the year 1652 when throughout England all things sacred were either profaned or neglected, this church was built by Sir Robert Shirley, Bart. Whose special praise it is to have done the best things in the worst times and to have hoped them in the most calamitous."

The fourth, and greatest speaker of my time was Winston Churchill, in the days of the second World War. He was possibly the greatest speaker of English in the history of the language...

At the end of the text, the author's son Jonathan, senior lecturer in English at the University of the Witwatersrand, added a few sentences:

These are the last words my father ever wrote. Soon after reaching this point he was admitted to hospital with a malignant tumour in his oesophagus. An unsuccessful operation to alleviate the blockage in his throat was performed. A week later he died at his home in Botha's Hill, near Durban.

I discussed the article with him a few days before he went into hospital. He told me he intended adding some comments made by Churchill towards the end of his life, and then, ironically, he would write something about the end of his own life.



Walt Whitman



William Blake



Yachel Lindsay

PHOTOGRAPH BY



Reinhold Niebuhr



This past spring I had the most perfect seven days of my life. Those seven days were spent aboard your ship. I have never been so well treated.

Gary S. Ritchey Arvada, Colorado.

I have never felt so pampered... We have been having about the cruise to anyone who will listen. The food was super. My family

Carol J. Bonnett, Butler, Pennsylvania.

SONG OF NORWAY LAST WEEK I AM COMPELLED TO TELL YOU. OUR WEEK WAS ABSOLUTELY FANTASTIC! FROM THE SECOND WE CAME ABOARD TO THE TIME WE LEFT (SADLY) EVERYTHING WAS JUST EXCELLENT. ONE PERSON WHO WENT OUT OF HIS WAY

Dale E. Smith, Carmel, New York.

I now know why Royal is in your name Royal Caribbean. Cruise line. Because we were treated like ROYALTY.

Alberta Humbert, Springfield, Ohio.

My wife recently said "I wouldn't travel any other cruise line." I heartily agree.

Herman J. Hebbeler, Morris Plains, New Jersey.

THE DAILY ACTIVITIES WERE INCREDIBLY WELL ORGANIZED, AND THE FACILITIES OF YOUR SHIP ARE JUST TREMENDOUS. THE SOLE PURPOSE

A. M. Swayne, Jr. Darien, Illinois.

WE WANT TO THANK YOU FOR OUR JOURNEY. THERE ARE NOT ENOUGH SUPERLATIVES TO EXPRESS OUR PLEASURE WITH YOUR SHIP, ACCOMMODATIONS, CREW, STAFF AND COMPLETE SATISFACTION WITH A VACATION THAT WAS A DREAM OF OUR LIVES.

Gene and Peggy Lagnese, Rochester, New York.

Our projecting our travel agent said "if we travel on RCL we would be spoiled and compare. She was certainly right.

Genry Frost, Grand Rapids, Michigan.

I have never written a "fan letter" before but feel that the cruise on the **Song of Norway** deserves it.

Mrs. Ray Clair Mills, Danville, Illinois.

I must admit that I am at a loss for words. Everything, meals, accommodations, facilities, crew and staff were flawless.

Marion Gillmer, Trenton, New Jersey.

Royal Caribbean Cruise Line - When you've tried the rest, TAKE THE BEST.

Shirley Ryan, Arlington Heights, Illinois.

We're the last people to blow our own horn.

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Let's get it
together.
Buckle up.



The new Corsica is aerodynamic enough to blow right by a Porsche 928S in the wind tunnel.

But since you probably don't often drive in a wind tunnel, Corsica also offers an optional 2.8-liter, aluminum-head, 130-horsepower, Multi-Port Fuel Injected V6. It has a manual 5-speed as quick as

any hairpin you're likely to encounter. Plus rear trailing arm suspension to leave even the tightest curve asking what just went by.

Which leaves only the price. And while Corsica performs like a sport sedan, you'll probably be glad to see that it doesn't cost like one.

- Drag coefficient of 0.33 (apologies to Porsche).
- Available 2.8-liter, Multi-Port Fuel Injected V6 with 5-speed.
- Most passenger room of any compact sedan in America.
- Available sport suspension.
- 6-year/60,000-mile powertrain warranty.

See your Chevrolet dealer for terms and conditions of this limited warranty.

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